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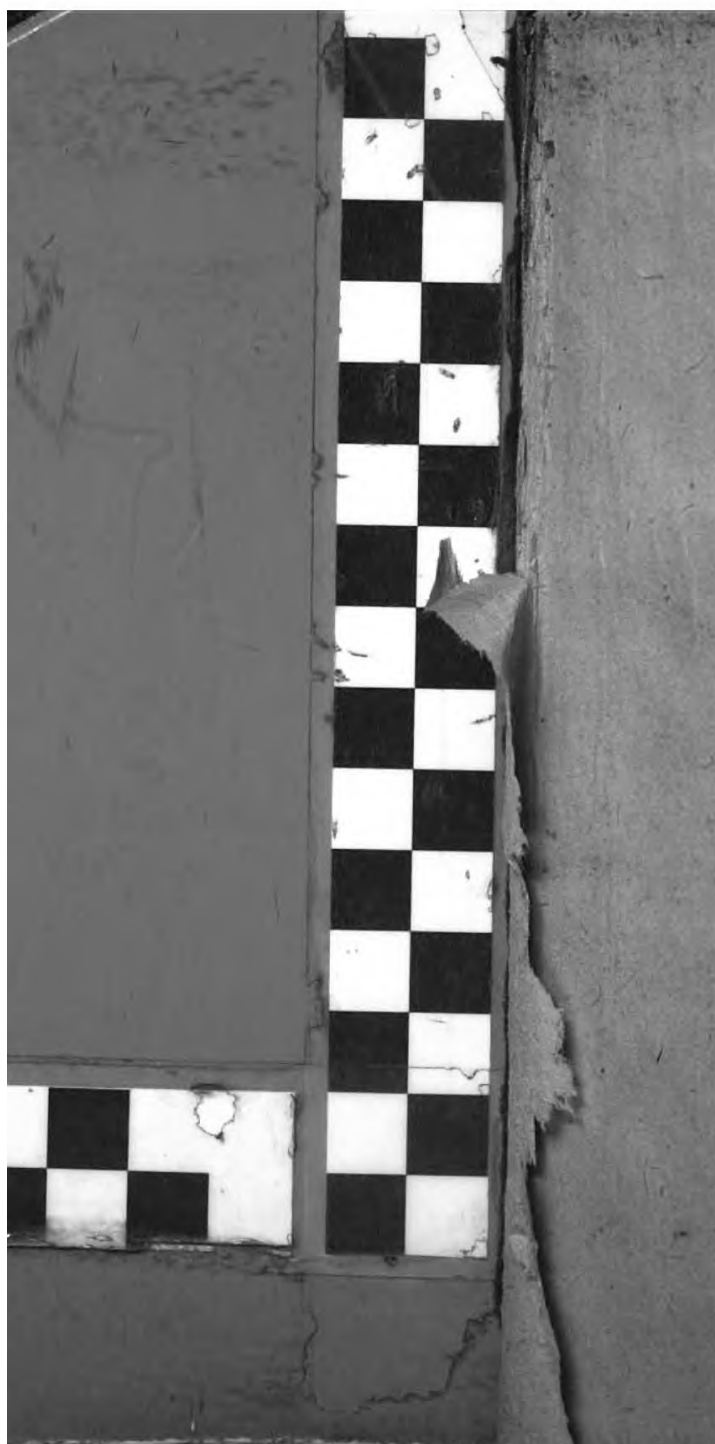
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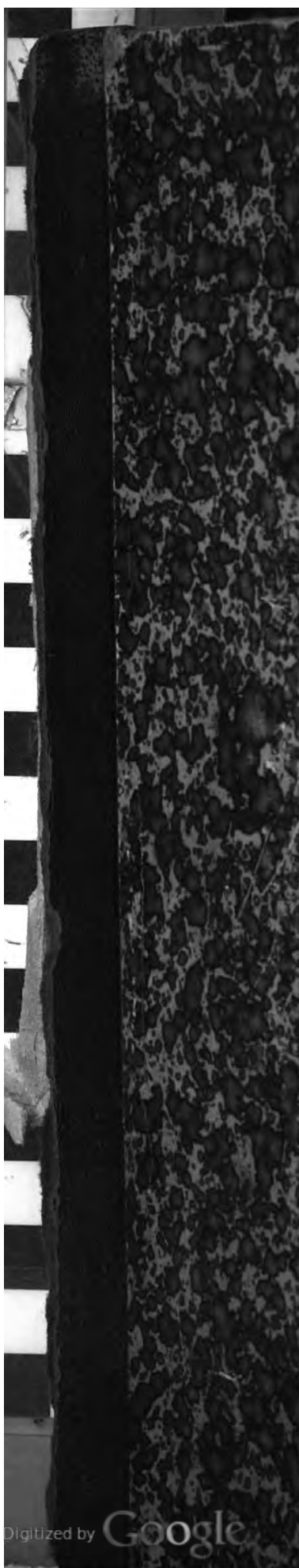
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THE
BANKERS' MAGAZINE,

AND

Statistical Register.

EDITED BY J. SMITH HOMANS,

CORRESPONDING SECRETARY OF THE CHAMBER OF COMMERCE OF THE STATE OF NEW YORK.

"No expectation of forbearance or indulgence should be encouraged. Favor and benevolence are not the attributes of good banking. Strict justice and the rigid performance of contracts are its proper foundation."
"The Revenue of the State is the State; in effect, all depend upon it, whether for support or reformation."

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THE
BANKERS' MAGAZINE,
AND
Statistical Register.

VOL. VIII. NEW SERIES.

JULY, 1858.

No. 1.

BANKING AND CURRENCY.

At the Annual Meeting of the Mercantile Library Association, held on the 12th of May, 1858, Wilson G. Hunt, Esq., who presided, in a response to a resolution of thanks, made an address on the subject of Currency, &c., of which the following is a copy. We commend his remarks to the attention of bank directors, bank officers, and merchants.

SINCE your last annual meeting great changes have taken place. We have been transported from a season of apparent prosperity to one of more than usual depression. Sudden changes may be considered national evils when caused by an expansion or contraction in the measure or representative of values. The currency being the medium of exchange; gold, silver, and paper based thereon, to be redeemed in coin at the pleasure of the holder. If we take one hundred dollars in gold, place it in vault, and issue thereon one hundred dollars of paper, it is simply a representative of value, and no addition is made to the circulating medium; but if we issue two hundred dollars in paper, based upon the one hundred in specie, we create at once two hundred dollars where one existed before. During the year 1857, our banks, with which rests the power of expanding or contracting the currency, discounted to their dealers, in the months of June and July, on a basis of \$12,000,000 in specie, the sum of \$114,000,000, and in the month following, increased the amount to \$122,000,000, while their specie in vault fell below \$10,000,000, with immediate liabilities to depositors of over sixty millions, and on the 13th of October they acknowledged to the world their inability to meet their engagements in specie, by a general suspension.

Thus it appears our system of banking fails in relieving the public, or even to sustain itself, in great emergencies. When money is plenty, they have it to lend in abundance; when scarce, they call upon their debtors for immediate payment. An expansion brings with it high prices, not only for the articles produced at home, but creates a demand for the luxuries of the world. The advance in value at home enters into the cost of production, while the foreign article is not affected; consequently, the home market becomes closed against American labor. Such has been the case during the years of 1855, 1856, and part of 1857. Foreign imports increasing, while our exports were almost wholly confined to articles in which for a time we possessed a monopoly; such as wheat, pork and beef, during the Crimean war, when the tributaries of the Baltic and Black Sea were closed by France and England. The war being at an end, free trade returned, and flour has fallen one half. In cotton we have a monopoly, the price of which has been but little affected by the state of the times. There is something in our system that works beneficially to the labor of foreign countries, from the fact that they can produce articles of necessity, the materials of which we grow in great abundance, manufacture it into cloth, transport it to us under an expense equal to one half the original cost, and yet undersell us in our own market. To such an extent has this been carried, that we have become the great market of the world, and during the late stagnation of business in the United States, and the absence of orders from this country, all the great producing countries have been affected. So dependent is Europe upon us, that when the banks suspended in October last, and the merchants ceased remitting, the greatest distress prevailed in the money centres of Europe. The Bank of England called upon Government for permission to extend their issues, by which they were enabled to weather the storm. In Hamburg the effect was so severe, that a state of general suspension occurred of both bankers and merchants.

We want something to regulate trade between this and foreign countries. Not restrictions upon commerce, for that would be in opposition to the spirit of the age. To ask from Government a law of protection against foreign labor, is to acknowledge our inability to compete successfully. But free trade, as it now exists between this country and the world, under our system of currency, is nothing more or less than protecting foreign labor at the expense of home industry. If we have free trade in the products of the world, we must also have free trade in the measure and representative of value.

If it be a correct principle that the currency be the measure and representative of value, then it is equally correct that prices will range in proportion to the quantity. Take two countries, England and Germany; let the last have a stringent currency paper and specie, dollar for dollar, accompanied by cheap labor; let the first have a currency of gold and silver, and its representation of paper, two dollars in paper for one in specie, thus doubling the volume of circulation,—the effect would be seen in a general advance of labor and in the necessities of life. Both countries engaged in the manufacture of articles for a foreign market, to ship, if you please, to the United States, coming here directly in competition—the one producing under a dear currency and cheap labor, the other under an expanded currency with an increased rate of labor—which of these two countries will be most likely to have the market? We look back twenty-five years when

England supplied this country with all her fine cloths, and competed with our manufacturers in the production of low ones. Now the whole business is done by Germany, they having driven the English out of the market. Not only have the English been ousted by the Germans, but the American manufacturers also; and Germany this day is in possession of the trade, and it is asserted that German cloths have been successfully introduced into England, leaving a profit to the manufacturers, after paying the expense of transportation, &c.

During the late severe pressure in the United States, failures have been, almost exclusively, confined to American houses; the foreign trade having paid, while the home has been unprofitable.

Our currency is composed of specie and paper, the great expansion being in credit at bank. Discounting on capital and deposits without reference to specie. In August last, with a specie basis of ten millions, the banks carried a discount line of one hundred and twenty millions; being an expansion on the specie in vault of twelve to one, with immediate liabilities to depositors of five to one. The expansion being great, it was accompanied by high prices, large importations, speculations in real estate, Western lands, and fancy stocks; in a word, we floated upon a high sea. Such was our position in August, and such would it have continued if the volume of currency could have been increased; but pay-day having come, and fearing the loss might rest on the last one, a great desire was manifested to realize. We were all sellers, and no buyers. Stocks tumbled down from day to day, confidence became destroyed, one great corporation broke after another, the people became alarmed, interest went up, and the value of property down. The banks called on their debtors for payment; speculators, unable to sell or borrow money, suspended; merchants broke by scores; and property of every kind depreciated from thirty to fifty per cent. The results of this panic, suspension of merchants and banks, may be seen in the general stagnation of business, and the depreciation of property. Sudden and great expansions induce speculation. Contraction comes, prices fall, and parties are made bankrupt. An increase in value can only benefit those holding property—they getting the advance while others have it to pay. A sudden fall does not affect the wealthy man, for he is not compelled to sell; but, on the contrary, the needy must realize, or go to protest. And if the banks, on the day of suspension, had been placed in the hands of receivers, as it was generally expected, (from which we escaped through the enlightened views of the Judges of the Supreme Court, to whom the whole country owe a debt of gratitude,) the winding up of the banks must have wound up the people, and general bankruptcy must have been the result, when the property of our city would have gone into the hands of the few. The general depreciation which must have occurred in the selling of twenty-five millions of State stocks for gold to redeem circulating notes, when a little more than half the amount existed in the State; the foreclosing of mortgages, and sales under execution—must have resulted in a general crash, and the passage of a bankrupt law been required to heal the wounds.

Twice within a period of twenty-one years have we gone through with these panics, shaking the stability of our financial institutions and the confidence of many in our system, under which these evils are produced. Remedies have been suggested, hoping, if adopted, to prevent like occur-

rences in the future. Among the most prominent of which is a return to gold and silver. This, to be done suddenly, would bring upon us greater evils than we have yet experienced. If the withdrawal of twenty-five millions in September last, created so much suffering, what might we expect when a much larger sum would be extracted from the business of the city? Another plan has been suggested, requiring all the banks to have twenty-five per cent. of their immediate liabilities in specie; this would be an improvement; but, not meeting favor with the banks, it is not likely to be adopted.

We want something beyond the power of man to control; some system that is self-adjusting, with checks and balances that will not interfere with the reasonable profits of banking, secure to us a currency at all times redeemable in specie without loss to the public. Taking from the banks the power of expansion—and that alone can secure us from a contraction—to do this we must allow them to bank, as now, up to a point on paid up capital. One hundred and forty or forty-five per cent., and for every dollar beyond that, require a specie dollar in vault to meet it. This would afford reasonable profits to banking, and secure us from an expansion. If the exchanges rule in favor of the country, and specie flow in upon us, the banks could expand to the extent of that increase; and as the natural tendency of this country is to expand, an increase in the volume of currency would increase the proportion of specie to paper, and gradually bring us near the standard of those countries with which we deal.

We, in our trade with the world, labor under the disadvantage of high prices. American labor is called upon to compete in our own market with the cheap labor of Europe, in what we have to sell, and the high prices of the necessities of life which we are required to pay at home. And we, as a nation, buy of the world at our high prices, and compete with a dear currency and cheap labor in what we have to sell in Europe; in other words, we buy dear and sell cheap.

That a state of expansion is accompanied by high prices, we have only to refer to the forepart of the past year, and the two years preceding. And that a restriction in currency secures to us low prices, we refer to the period since the 1st of October last. That a stringent money market curtails the imports, and increases the exports in proportion, we refer to the same period.

If we can secure a steady state of the currency—the imports regulated by the exports—and avoid these continued expansions and contractions, business would be more legitimate, credit stand upon a firmer basis, and merchants be satisfied in pursuing their business without stepping aside to take a part in undertakings that so often prove to them disastrous.

In this country the measure of value is committed to some two thousand banks. They have the power, through the means of discounting, to raise or depress prices, to increase the imports and reduce exports; their profits lie in the amount of interest received, and as the stockholders and directors are anxious to make large dividends, it is reasonable to suppose that liberal discounts should be made, and in the absence of a foreign or domestic demand for specie, there is no check or limit, provided they act in unison. Therefore, what has been may be expected to occur again; and so long as the present system be in existence, we shall be subjected to the calamities of 1837 and 1857. The complaints made by the people, last fall, were

many and loud. A recurrence of like grievances would bring with it an expression of public sentiment, strong and determined. Our moneyed institutions, receiving their power from the people, should endeavor to meet the public wish. To say the banks have brought upon us all the evils under which we are suffering, might be charging upon them crimes that belong to others; but there is one fact most certain, that is, without an expansion on the part of the banks, there could be no necessity of any contraction; and without expansions or contractions, we must have an even money market, giving stability to the commerce and the trade of the country.

The future opens to us a vast field. We are extending westward; are talking of a railroad to the Pacific; already a wagon-road is constructing, and parties have agreed to carry the mails semi-weekly in wagons and post coaches. A telegraph line is also spoken of, bringing the eastern shores of the Pacific in direct communication with the Atlantic States. Mexico is quarrelling preparatory to coming into this Union. Cuba, lying within hailing distance of Florida, must sooner or later be under the shade of the "stars and stripes," opening a trade long since closed to us.

The merchants of this day will soon pass off the stage of action; you are to occupy their places. New York being the centre of commerce and exchange for the Western world, the action of our merchants will be looked to with great interest; already the financial policy of this city governs the whole country. When New York expands, it is felt from Maine to Texas; when her banks contract, the effects reach to the borders of civilization. Therefore, it is of the utmost importance that the financial policy of this city be upon principles solid as the rock of ages. An expansion should increase the proportion of specie to credit. If it be dollar for dollar, it can only occur when exchanges favor the country, and can do us no harm. If we fail in a crop, having expanded dollar for dollar, we can only be required to contract in the same ratio. Under the present system we go out ten to one, and if we get beyond the limits of prudence, involved in debt at home and abroad, become alarmed at our indiscretion, we attempt to retrace our steps at a time when the banks are curtailing with the same rapidity with which they expanded; panic takes the place of reason; business is interrupted; general stagnation ensues. Expenses go on, while the great interest of the country is paralyzed. It is these constant changes that render mercantile life so uncertain, turns the world away from the channels of industry to the more popular cry of speculation—to make a fortune in a day, or lose the earnings of a lifetime.

Having called your attention to this subject two years ago, I have felt it my duty under existing circumstances to refer to it again, believing that it is a question of the deepest importance to the great future of this country. We are dealing with the world, and the world is coming to us through the channels of emigration. We have a country and climate equal to any under the sun, producing a greater share of luxuries than is possessed by any other nation, and we are required to make good use of what Providence has placed in our hands.

Wishing to you, gentlemen, prosperity, and to the library in which you feel a deep interest, your constant care and watchfulness. There has been much done for this valuable institution by the merchants and the young gentlemen members who have given to it their warm and constant support.

But there is much left yet to do; the times have been unpropitious for the accomplishment of the object which the trustees of Clinton Hall have in contemplation, viz., reducing the debt resting upon the property. Your membership should be increased; by it you add greatly to its usefulness, and benefit yourselves. Every young man in the city entitled to membership ought to register his name as its supporter and friend; it was established for you, and in return for so great a favor, you should give to it a united and hearty support.

Pardon me for thus taking up your time, and accept my thanks for this renewed expression of your kindness to me, and to the Association of Clinton Hall, of which I have the honor to be a member.

THE NEW YORK CLEARING HOUSE.

FOR THE YEARS 1857-1858.

THE fluctuation of the Banks of this city during the past year, ending on the 1st inst., has been enormous and unprecedented. For the purpose of showing this, and of indicating the great and rapid depression of business, caused by the revulsion of last Fall, from which we are now slowly recovering, MR. G. D. LYMAN, manager of the Bank Clearing House, has compiled the annexed statement of the exchanges at that establishment, for each month of the past year. In order that the effect of the revulsion of 1857 upon the business of the Banks may be seen, as well as the difference in the movement of money, at corresponding periods, a comparison is made with the transactions of the previous year:

	<i>Exchanges, 1856-1857.</i>	<i>Exchanges, 1857-1858.</i>
June,	\$567,700,305 47	\$719,883,196 87
July,	596,557,439 10	728,690,245 93
August,	547,674,598 61	668,752,261 26
September,	615,602,471 84	481,851,327 30
October,	701,925,536 17	308,579,407 36
November,	695,001,707 25	321,486,500 50
December,	707,495,970 49	337,221,226 67
January,	677,458,783 10	342,773,995 66
February,	665,518,844 22	356,467,068 83
March,	750,850,291 16	460,388,898 18
April,	765,263,295 27	441,207,527 44
May,	770,535,258 94	471,376,133 02
Total,	\$8,061,584,501 62	\$5,638,677,789 02

It will be seen by the above statements that the cash transactions of the Banks of this city, for the past year, have been reduced the enormous sum of \$2,422,906,712 60, thus:

Exchanges for year ending June 1, 1857,	\$8,061,584,501 62
Do. do. do. do. 1858,	5,638,677,789 02
	<u>\$2,422,906,712 60</u>

1858.]

The New York Clearing House.

This may be considered as the amount of the stagnation and inactivity of business resulting from the revulsion of last Fall, so far as it is shown by the transactions of our moneyed institutions. The average condition of the Banks for the year ending June 5th, as shown by their Weekly Statement, we annex :

Loans and discounts, average for the year,.....	\$107,515,522
Specie, do. do.	22,577,416
Circulation, do. do.	7,394,880
Gross deposits, do. do.	85,270,030
Net deposits, do. do.	67,199,468
Average daily exchanges at the Clearing House,.....	18,070,562

It will be seen that the above average includes the high line of discounts of August last ; the expansion of last Spring, and the contraction of last Fall, as well as the expansion of this Spring.

Loans and discounts reached their maximum August 8th, 1857, and were	\$122,077,252
Loans and discounts reached their minimum Oct. 17th, 1857, and were	94,963,130
A movement of.....	\$27,114,122
Specie was highest May 8th, 1858,.....	\$35,453,146
Specie was lowest Oct. 17th, 1857,	7,843,231
A movement of.....	\$27,609,915
Circulation was largest Aug. 8th, 1857, and was then.....	\$8,981,740
Circulation was smallest Nov. 14th, 1857, and was then.....	6,258,652
A movement of.....	\$2,723,088
Deposits were largest May 15th, 1858, and were.....	\$101,884,163
Deposits were lowest Oct. 17th, 1857, and were.....	52,894,623
A movement of.....	\$48,989,540
Net deposits May 15th, 1858,.....	\$83,599,295
Net deposits, Oct. 17th, 1857,.....	42,696,012
A movement of.....	\$40,903,283

In the year 1857, deposits, as usual, were on the increase from January to July. and on the week ending July 4th, reached the highest point for the year, of \$98,834,583. After that, in accordance with the uniform rule, they were withdrawn, though more rapidly than usual, until the suspension, showing for the week ending Oct. 17th, 1857, only \$52,894,623. It will be seen that within fifteen weeks following July 4th, 1857, the gross deposits were withdrawn to the amount of \$45,939,960, (the net amount after deducting clearances, being \$22,695,569,) and it is susceptible of proof that this withdrawal was wholly the result of the calling in of the out of town balances, the city deposits at the latter being fully up to the line of the former period named. At the present time it is estimated that the out of town balances amount to nearly thirty millions, which must be expected in the course of what seems to be an established law of the movement, to be not only entirely withdrawn, but the city Banks in the Fall will stand largely in the position of creditors, in accordance with their agreements to permit overdrafts at certain seasons. This fact of violent fluctuation in this movement, the aggregation of large amounts at seasons of periodical inactivity, and of uniform withdrawal at times when there is most pressure for

accommodation upon the Banks, affords a strong argument in favor of the wisdom of the nearly unanimous action of our Banks in refusing to allow interest upon these country balances.

THE FINANCES OF PENNSYLVANIA.

THE State of Pennsylvania has divested itself of its public works at less than half cost. The struggle between Maryland, Pennsylvania and New York, for the Western carrying trade has driven prices below remuneration. Of the heavy loss sustained by Pennsylvania the *Pittsburg Journal* says:

Pennsylvania, for the first time in thirty years, is no longer the owner of one mile of canal or railroad. The adoption of the late constitutional amendments secures against such things in future. We thus speak because our own observation has convinced us that this system has been promotive of vast evils and corruptions. We are not prepared to say that our Commonwealth has not derived some substantial benefits from this system; but the time for its longer continuance is past, and we rejoice that this day severs our connection with the system, and that a constitutional amendment prevents, in the future, any return to it.

A little over thirty years since the Commonwealth fairly entered upon it, and between 1827 and 1845, contracted a debt of \$40,000,000. A little over \$30,000,000 was contracted in the construction and management of these works, and nearly \$10,000,000 in payment of interest before the State taxation was adequate to pay the annual accruing interest. If a strict interest account had been kept, charging the public works with cost of construction and annual interest, repairs, management, and then crediting with revenue (separate from the State taxes paid), our public works would have cost us at least \$80,000,000.

The actual account set down of our public debt as it existed one year since, is \$40,000,000. Deduct from this proceeds of sale of main line to the Pennsylvania Railroad Company.....	\$7,500,000
Other canals to Sunbury and Erie Company.....	3,500,000
Sinking fund, say about.....	1,000,000
	<hr/>
	\$12,000,000

This leaves us, then, a State debt of \$28,000,000 to pay by taxation. The Philadelphia Board of Trade have published their Report on Inland Transportation. That city relies on a large share of the trade from Lake Ontario ports. The Report states:

The products of our own State are precisely the exchangeable commodities most needed by Canada in return for her grain and produce. There is no anthracite coal in all those vast regions, as will be seen by the geological reports of Sir Charles Lyell and the provincial geologist, Mr. Logan, who have declared that, from the structure of its strata, coal cannot exist. We sent them last year, indirectly, several thousands of tons.

Our iron and steel are already largely imported by a circuitous route,

and at this moment several Philadelphia manufacturers are engaged in executing New York orders for goods suited to the Canada markets.

Shall we always be hewers of wood and drawers of water to enrich our neighbors? when, from this city, with our present facilities, by our own direct internal improvements, we can lay down our products as quickly and as cheaply at the point of demand as New York can do for us, saving the transshipment to that city, and the charges of her merchants, which would thus be added to the profits of our commission houses, our factories, our coal mines, and our forges.

Iron works of Pennsylvania.—It is computed that there are at present not less than five hundred large iron works in Pennsylvania, employing an aggregate capital of twenty-five millions of dollars, and furnishing direct employment to forty thousand men. The coal interests, and the agricultural and manufacturing industry of the State are all suffering from the prostration of the Iron Work, and from all classes there rises a demand for an alteration in the Tariff, at least in respect of coal and iron.

The *Pittsburg Post*, among other influential Democratic journals, is urgent in calling for a reform. It says:

"It is labor, not capital, which needs protection in Pennsylvania. The object is to make capital remunerative in employing labor and consuming the product of the soil. If this cannot be done, capital will seek such employment as will remunerate. In Pennsylvania the price of living is cheap; rents are low; raw material costs very little; there is plenty of capital and skill; and none of these need legislative protection. But four-fifths of the value of all manufactured articles consist in the labor bestowed upon them, and the present rates of the tariff on iron bring American labor in direct competition with the ill-paid labor of Europe. It is protection to American labor which we want in Pennsylvania. It is to have our money paid for labor at home, and not sent abroad to pay for foreign labor, while our own mechanics, turned out of employment, are compelled to seek employment elsewhere, and in new avocations, to the injury of all industrial pursuits.—*Philad. Press.*

THE BANKS OF CONNECTICUT.

We extract the following paragraph from the Annual Report of the Bank Commissioners of Connecticut:

On the first day of July, the circulation of the Banks of this State was \$10,411,000; on the first of January, it was reduced to \$4,130,265, a contraction of over \$6,000,000, and most of which took place between the first of August and the first of November. Notwithstanding the very meritorious conduct of the Banks generally in the State, during the late panic, the Commissioners have many serious cases of violation of law to report.

After giving a list of these Banks, the condition of some of the New Haven Banks is thus adverted to:

The condition of the New Haven County Bank has not materially improved since it was first reported to the Legislature, in 1856. Some portion of the debts due the Bank have been adjusted by taking therefor a direct interest in the real estate located in Brooklyn, N. Y. This arrangement covered \$137,135 of the Dwight debt, and to protect this interest, the bank is obliged to pay its proportion of the interest upon the first mortgages upon the property; also, its share of taxes and assessments for improvements. These items increase rapidly, and last year amounted to \$16,000, which include, however, a small payment to the first mortgagees. The total assets of the Bank which pay no interest, amount to about \$400,000. The Directors have been careful, at all times, to keep at command available means sufficient to protect the billholders and depositors. But it is not in harmony with the uniform policy of the State to allow a Bank so greatly depreciated to represent so large a capital stock. In the opinion of the Commissioners, the capital of the Bank should be reduced to a proper level, or its affairs placed in liquidation.

The City Bank of New Haven, with a surplus of \$72,759, has also an interest in the Brooklyn property, amounting to \$60,742, and they have also suspended debts and bonds, amounting to \$130,358, making a total of \$191,000 of assets now unavailable. Their losses under these assets, in the opinion of the Commissioners, will more than retire their surplus, and render it necessary to defer the making of dividends for a limited time, in order to restore the Bank to its full capital. This Bank declared a dividend of 3 per cent. in January, which we do not consider it had the ability legally to do.

The Merchants' Bank of New Haven, with a surplus of \$43,000, has an interest in the same property in Brooklyn, amounting to \$70,433. They have also suspended debts against H. Dwight, Jr. and the Chicago and Mississippi Railroad, amounting to \$100,000, making a total of \$170,000 in unreliable assets. The surplus of this bank should be retired and dividends suspended until their capital is restored. This bank also made a dividend of 3 per cent. in January, without, in our opinion, the legal ability to do so.

The Commissioners close their report on the condition of the Banks of circulation, with the following recommendations and other remarks:

1st. A reduction of the circulation of the Banks to 50 or 75 per cent. upon the capital actually paid in.

2d. The requirement of a specific amount of specie, based upon capital, and not upon circulation.

3d. A reduction of the percentage of discounts, out of the State, to 25 per cent. of the capital of the Bank.

4th. To limit the amount of interest to be paid on deposits to 4 per cent.

Under the present law the specie lines of the Banks are very irregular, and the fluctuations are not as carefully observed as they should be; but fix the amount to a given percentage upon capital, and not only the Banks but the public will always know what amount is at all times required. No per cent. of specie is now required by law for deposits, and should a Bank abandon the use of its own bills, there is no law requiring them to keep specie at all.

The present law relating to loans out of the State is based upon capital,

deposits and circulation. There are many objections to the loaning of money out of the State, on the basis of circulation and deposits, for both are demand liabilities, and cannot be said to form a part of the capital of a Bank. The present limit is deemed to be too large, under ordinary circumstances, for the best interests of the banks.

The practice of receiving deposits and issuing therefor certificates payable on demand and drawing interest at the rate of 6 per cent. per annum, is regarded by the Commissioners as a virtual creation of a preferred stock, which gives the holder preference over the general shareholders, and is liable to be called for when the Bank is least able to pay it. A modification of the laws, in the manner proposed, it is believed would greatly tend to equalize and secure a greater uniformity in the business of the Banks, diminish their losses, and enable them to pay more uniform dividends to their stockholders.

Many of the Banks are in the habit of carrying forward in their accounts, large amounts, as surplus earnings, while at the same time they have sustained large losses on suspended debts. The practice is deceptive, and misleads the public as well as stockholders, as to the true condition of the Bank and the value of the stock. In conclusion, the Commissioners cannot refrain from bearing testimony as to the general soundness and prosperity of the Banks, and to the noble efforts made by them during a season of great embarrassment to sustain themselves and the community in which they are located.

The Connecticut Assembly censure the labors of the Commissioners during the past year. . The following are the resolutions offered by one of the Assemblymen :

Whereas it is found to be true by this Assembly that the two senior Bank Commissioners, James E. Dunham and Benjamin Noyes, have, during the past year, collected from sundry banks in this State the sum of \$5,296, no part whereof was reported by them to this Assembly until specially thereto required by order of said Assembly; and *Whereas* the said Commissioners have collected from four banks in this State the sum of \$4,658 for services in the affairs of said banks, being at a greater rate than three dollars per day—and have made use of threats to compel the payment thereof, therefore,

Resolved, 1st. That said senior Bank Commissioners have been guilty of a violation of the laws of this State (in not giving a fuller statement of the amount by them received for their services, and in using their power to compel the payment of exorbitant sums).

2d. That this Assembly condemns the aforesaid conduct of said Commissioners, and hereby pronounce censure thereon.

USURY LAWS.—A report has been made in the Virginia Senate, from the Committee to whom was referred the Message of the Governor on the legal rate of interest and the usury laws of the State of Virginia, recommending a modification of the law so as to allow 8 per centum interest to be taken on bills of exchange and promissory notes not having more than four months to run. A bill has also been reported to amend the code, so as to allow interest not exceeding the rate of 8 per centum per annum upon bills of exchange and promissory notes made payable within four months from their date, or not having more than four months to run.

THE USURY LAWS OF PENNSYLVANIA.

GOVERNOR PACKER, of Pennsylvania, has approved the bill relating to the Usury laws: whereby the severe penalty hitherto attached to the infraction of such laws is removed. The passage of this act and its approval by the Governor are in some measure owing to the influential opinions of prominent and well-informed merchants in large cities. The following address to the Governor was signed by a large number of the leading men in Philadelphia. The arguments used to do away with the severity of the Usury Laws apply with equal force, and should have equal weight in New York.

To Hon. Wm. F. Packer, Governor of Pennsylvania:

We learn with great regret, that the change in the Usury Laws made at the late session of the Legislature, has not been approved by your Excellency. This change has met with the unqualified approbation of the whole business community here, and, we believe, with that of a great majority of business men in the interior of the State. We are aware, however, that the fear exists with some in the country, that would cause the withdrawal of capital now invested there in landed security. We think we can demonstrate to your Excellency that this fear is groundless.

It is the business of money brokers to watch for and keep the track of capital, and as the old Usury Law is entirely evaded through them, they are made the channels through which the capital of every portion of the State is diverted from its legitimate sphere of use to the service of their favorites. Your Excellency may not be aware that a country borrower very often gets in Philadelphia, through brokers, the identical money which his neighbor capitalists refused him at home, costing him the expense of his journey here, the broker's valuation of money, and his commission besides.

The extent to which country capital has been employed in this way would surprise your Excellency. Nor has it benefited Philadelphia, except those amongst us who, by paying high rates, are enabled to control more means than their credit entitles them to, much to the detriment of the regular trader, who has to compete with them on his own legitimate means and credit. A vast amount of this country capital is now locked up in suspended paper that can never be realized, whilst if it had been employed at home, the interior would have been more prosperous, your merchants better able to pay their city creditors, and many of your workshops, that are now empty and silent, would have been filled with the busy hum of cheerful labor.

If the old Usury Law secured the object for which it was passed, viz. to keep down the rate of interest, there would be *one* argument in its favor; but it does not; on the contrary, it places a risk in the path of capital which the honest borrower has to pay for. It has created an army of

brokers, which *borrowers* have to support, and it banishes from us a large amount of foreign capital, which, if we were freed from this enactment, would hasten here to develop the magnificent resources of the State, and give life and energy to many an industrial enterprise that now languishes for want of it.

And besides, the universal and continual violation of this law (regarded as a mere *premium on dishonesty*) is demoralizing in its effects on the community, for it lessens the respect due to the enactments of the Commonwealth. The bill now before you will relieve us of its most odious feature, and we earnestly hope and pray your Excellency will give it your approval.

PHILADELPHIA, May 19th, 1858.

We publish in full the new Interest Law of Pennsylvania, as an example for the legislators of our own State, and of various other States where the Usury Laws have been allowed for many years to obstruct the channels of trade.

AN ACT REGULATING THE RATE OF INTEREST.

§ 1. Be it enacted by the Senate and House of Representatives of the Commonwealth of Pennsylvania in General Assembly met, and it is hereby enacted by the authority of the same, That the lawful rate of interest for the loan or use of money in all cases where no express contract shall have been made for a less rate, shall be six per cent. per annum, and the first and second sections of the act passed second of March, one thousand seven hundred and twenty-three, entitled "an act to reduce the interest of money from eight to six per cent. per annum," be and the same is hereby repealed.

§ 2. That when a rate of interest for the loan or use of money exceeding that established by law shall have been reserved or contracted for, the borrower or debtor shall not be required to pay to the creditor the excess over the legal rate, and it shall be lawful for such borrower or debtor, at his option, to retain and deduct such excess from the amount of any such debt; and in all cases where any borrower or debtor, shall heretofore or hereafter have voluntarily paid the whole debt or sum loaned, together with interest exceeding the lawful rate, no action to recover back any such excess shall be sustained in any court of this Commonwealth, unless the same shall have been commenced within six months after the time of such payment. Provided always, that nothing in this act shall affect the holders of negotiable paper taken *bona fide* in the usual course of business.

G. NELSON SMITH, .

Speaker Pro tem. House of Representatives.

WM. H. WELSH,

Speaker of the Senate.

APPROVED, The twenty-eighth day of May, A. D. one thousand eight hundred and fifty eight.

WM. F. PACKER.

THE NEW TREASURY LOAN.

AN ACT to authorize a Loan not exceeding the sum of twenty millions of dollars.

§ 1. *Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That the President of the United States be and hereby is authorized, at any time within twelve months from the passage of this act, to borrow, on the credit of the United States, a sum not exceeding twenty millions of dollars, or so much thereof as, in his opinion, the exigencies of the public service may require; to be applied to the payment of appropriations made by law, in addition to the money received or which may be received into the Treasury from other sources: *Provided*, that no stipulation or contract shall be made to prevent the United States from reimbursing any sum borrowed under the authority of this act at any time after the expiration of fifteen years from the first day of January next.

§ 2. *And be it further enacted,* That stock shall be issued for the amount so borrowed, bearing interest not exceeding five per centum per annum, payable semi-annually, with coupons for the semi-annual interest attached to the certificates of stock thus created; and the Secretary of the Treasury be and hereby is authorized, with the consent of the President, to cause certificates of stock to be prepared, which shall be signed by the Register and sealed with the seal of the Treasury Department, for the amount so borrowed, in favor of the parties lending the same, or their assigns: *Provided*, That no certificate shall be issued for a less sum than one thousand dollars.

§ 3. *And be it further enacted,* That before awarding said loan the Secretary of the Treasury shall cause to be inserted in two of the public newspapers of the city of Washington, and in one or more public newspapers in other cities of the United States, public notice that sealed proposals for such loan will be received until a certain day to be specified in such notice, not less than thirty days from its first insertion in a Washington newspaper; and such notice shall state the amount of the loan, at what periods the money shall be paid, if by instalments, and at what places. Such sealed proposals shall be opened on the day appointed in the notice, in the presence of such persons as may choose to attend, and the proposals decided on by the Secretary of the Treasury, who shall accept the most favorable proposals offered by responsible bidders for said stock. And the said Secretary shall report to Congress, at the commencement of the next session, the amount of money borrowed under this act, and of whom and on what terms it shall have been obtained, with an abstract or brief statement of all the proposals submitted for the same, distinguishing between those accepted and those rejected, with a detailed statement of the expense of making such loans: *Provided*, That no stock shall be disposed of at less than its par value.

§ 4. *And be it further enacted*, That the faith of the United States is hereby pledged for the due payment of the interest and the redemption of the principal of said stock.

§ 5. *And be it further enacted*, That, to defray the expense of engraving and printing certificates of such stock, and other expenses incident to the execution of this act, the sum of five thousand dollars is hereby appropriated: *Provided*, That no compensation shall be allowed for any service performed under this act to any officer whose salary is established by law.

Approved, June 14, 1858.

An important negotiation was effected on Saturday, May 22d, by Mr. Cisco, the Sub-Treasurer, in behalf of the U. S. Treasury. The Secretary of the Treasury is authorized by the Act of Congress to re-issue the Treasury notes redeemed at the Custom House, or to issue a further sum to the same extent. The sum of three millions of dollars having been redeemed, an equal amount was contracted for on Saturday at $4\frac{1}{2}$ per cent.; taken by various banks and Savings Banks of the city, without the formality of an advertisement, or invitation for bids. The result is a satisfactory one to the Treasury, and equally so to the community, as the notes were taken by first hands, instead of being hawked about the streets by brokers and speculators.

We have now the return from Washington of the bids for the issue of four million dollars Treasury Notes, awarded June 14th, which will be found in the table below:

AT FOUR AND A HALF PER CENT.

<i>New York.</i>	
Bank of Commerce.....	\$1,500,000
Van Vleck, Reed & Drexel	400,000
Marie & Kanz	300,000
Hoffman, Campbell & Co.....	100,000
Whitehouse, Son & Morrison.....	50,000
Hoguet & Buell	30,000
East River Savings Bank.....	50,000
<i>Other Places.</i>	
Bank Metropolis, Washington City.....	100,000
McKim & Co., Baltimore.....	100,000
Appleton & Co., do	115,000
New England Bank, Boston.....	50,000
New Haven Bank.....	10,000
Total	\$2,805,000

Leaving \$1,195,000 to be apportioned among the four and three quarter per cent. bids, which were as follow, with the amount apportioned to each, being one-eighth of each of the sums proposed for:

AT FOUR AND THREE QUARTER PER CENT.

	<i>Proposed for.</i>	<i>Awarded.</i>
G. S. Robbins & Son, New York.....	\$1,000,000	\$125,000
U. S. Trust Co., do	450,000	56,250
A. Belmont, do	1,000,000	125,000
Van Vleck, Reed & D. do	1,000,000	137,500

Thompson Brothers, New York	\$1,000,000	\$125,000
Marie & Kanz, do	1,200,000	150,000
Trevor & Colgate, do	200,000	25,000
M. Morgan & Son, do	120,000	15,000
Meigs & Smith, do	400,000	50,000
Phenix Bank, do	100,000	12,500
J. P. Richards, do	100,000	12,500
Hoffman, Campbell & Co., New York	250,000	31,250
Roosevelt & Son, do	100,000	12,500
Tradesmen's Bank, do	50,000	6,250
East River Savings Bank, do	75,000	9,375
B. H. Field, do	75,000	9,375
Ketchum, Howe & Co., do	50,000	6,250
Read & Lathrop, do	50,000	6,250
Hoguet & Buell, do	30,000	3,750
Sweeny, Rittenhouse & Co., D. C.	1,000,000	125,000
Riggs & Co., do	200,000	25,000
Bank of Metropolis do	100,000	12,500
Appleton & Co., Baltimore	120,000	15,000
McKim & Co., do	100,000	12,500
E. W. Clark & Co., Philadelphia	200,000	25,000
Cronise & Co., do	200,000	25,000
Far. and Mech. Bank, do	100,000	12,500
Suffolk Bank, Boston	100,000	12,500
New England Bank, do	50,000	6,250
New Haven Bank	20,000	2,500
Farmers' Bank, Lancaster	20,000	2,500
Total	\$9,560,000	\$1,195,000

RECAPITULATION.

At $4\frac{1}{2}$ per cent	\$2,805,000
$4\frac{1}{4}$ do	9,560,000
5 do	15,835,000
$5\frac{1}{2}$ do	85,000
$5\frac{3}{4}$ do	10,000
6 do	250,000
Total	\$28,545,000

SUCCESSFUL.

$4\frac{1}{2}$ per cent	\$2,805,000
$4\frac{1}{4}$ do	1,195,000
Total	\$3,000,000

PENNSYLVANIA FINANCES.—A special message of Gov. Pollock to the Legislature of Pennsylvania, in answer to a call for information relative to the sale of the main line of Public Works of the Commonwealth to the Pennsylvania Central Railroad, states that the amount of their five per cent bonds given by the purchasers was seven and one-half millions of dollars, in payments and for amounts equal to, and falling due at the time provided for the payment of, the respective instalments, and were delivered to the State Treasurer on the 30th day of July, 1857, and are now held by him for the Commissioners of the Sinking Fund.

LEGAL MISCELLANY.

FROM THE DIGEST OF ENGLISH LAW AND EQUITY REPORTS, BILLS OF EXCHANGE, AND PROMISSORY NOTES.

I. *What is a bill or note?* II. *Consideration.* III. *Acceptance; Liabilities of Acceptors; Presentment, &c.* IV. *Endorsment.* V. *Dishonor, and notice of Protest.* VI. *Alteration; Parol discharge; Usury.* VII. *Lost Bills and Notes.* VIII. *Actions on bills and notes; Pleading, Evidence, Damages, &c.* IX. *Miscellaneous.*

I.—WHAT IS A BILL OR NOTE?

1. *What is, as against the drawer.* An instrument was drawn in the following form: "Two months after date I promise to pay to A. B. or order, 99l. 15s. H. Oliver." At the foot it was addressed to "J. E. Oliver," and across it was written, "Accepted, payable S. and A. Bankers, London, E. Oliver." *Held*, that in an action by the payee against the drawer it might be treated and declared upon as a bill of exchange. *Lloyd v. Oliver*, xii. 424.

2. *Effect of phrase "or when realized."* An instrument directed to C. S., by which defendant requested C. S. "ninety days after sight, or when realized," to pay plaintiff, is not a bill of exchange. *Alexander v. Thomas*, ii. 286.

3. *Name of drawer necessary—Promise by acceptor in such case.* An instrument was as follows: "Exchange for 200l. at sight of this my third of exchange, first and second, &c., unpaid, please pay P. or order the sum of 200l. sterling, for value received, and place the same, as by letter of advice, to the account of A. R.;" and across the face of it the drawer wrote, "Accepted, S. R., Esq., Shire Lane, Bedminster, Bristol." *Held*, not to be a bill of exchange, as it had no drawee; the words written across were, if any thing, an acceptance, not an address; But that if S. R. promised to pay after it was drawn, it might be treated as a promissory note. *Acto v. Reynolds*, xxv. 438.

4. *Separated warrant.* A warrant or coupon, for an instalment of interest upon a debenture or bond of a mining company, was detached from the debenture when the interest was demanded. *Held*, that the separated warrant was not a promissory note, and did not require any stamp. *Euthoren v. Hoyle*, ix. 434.

5. An instrument in the form of a promissory note was indorsed thus: "In the event of my (the payee's) death, this amount is not to be demanded of the maker, but to remain at interest, and ultimately be divided among my daughter's children." *Held*, that this made the payment conditional, and therefore it was not a promissory note. *Richardson v. Martyr*, xxv. 365.

6. *Contingent promise.* The following instrument was sued upon as a promissory note by the plaintiff, who, at the time of the making of it, and

until the commencement of the action, was secretary of the Indian Laudable and Mutual Assurance Society: "Nine months after date I promise to pay to the secretary for the time being of the Indian Laudable and Mutual Assurance Society, or order, company's rupees 20,000 with interest, at 6 per cent. per annum, and I hereby deposit in his hands twenty-two Union Bank shares, as particularized at foot, by way of pledge or security for the due payment of the said sum of company's rupees 20,000, and in default thereof hereby authorize the said secretary for the time being forthwith, either by private or public sale, absolutely to dispose of the said bank shares so deposited with him, and out of the proceeds to reimburse himself the said loan of company's rupees 20,000, he rendering to me any surplus, and I hereby promise to make good whatever may be wanting over and above the proceeds of such sale to make up the full amount of such loan and interest." *Held*, that the promise to pay was a floating contingent promise, the performance of which was to be made to a person to be ascertained *ex post facto*, namely, the secretary when the instrument became due, and therefore that the instrument could not be sued upon as a promissory note. *Storm v. Stirling*, xxviii. 108.

7. Quere, whether the additional promise to pay the deficiency in the event of a sale of the bank shares deposited as a security proving insufficient, rendered the instrument invalid as a promissory note. *Ib.*

II.—CONSIDERATION.

1. *Money advanced to pay illegal bets.* The advancement of money by the drawer of a bill of exchange, to pay bets made by him in behalf and at the request of the drawee, is a good consideration for the draft, although the bets were illegal and the money was advanced without the request of the drawee. *Oulds v. Harrison*, xxviii. 524.

2. I. O. U.—*Assignment of judgments.* A. executed an indenture, assigning certain judgments to B. and reciting that the price had been paid. The price had not been paid, but soon after B. gave his I. O. U. for the amount. *Held*, that there was a sufficient consideration for the I. O. U., which might be treated as given at the moment of executing the indenture. *Berry v. Story*, xxv. 371.

3. *Note given after composition to induce payee to take up bills of exchange accepted prior thereto.* A. compounded with his creditors, of whom B. was one. B. having received a preference, joined in the composition deed, releasing his whole debt. Prior to the composition, A. had accepted bills of exchange, drawn by B., to amount of the debt, which were outstanding at the time of the release. B. neglected to take them up, and to induce him to take them up, A. gave him his promissory note. *Held*, that the note was without consideration. *Mallalieu v. Hodgson*, v. 279.

4. *Note given as collateral security for debt of a third person.* It is a good plea to an action by the payee against the maker of a promissory note, that the defendant made the note at the request of the plaintiff, as a collateral security for a debt due from a third person to the plaintiff, and that the defendant was not liable to pay the debt or to give the note as security, and that there was no other consideration. *Crofts v. Beale*, v. 408.

5. *Bet—Pleading.* To an action by the drawer against the acceptor

of a bill, defendant pleaded that the consideration of the acceptance, was a bet lost by him to A. B., and that the defendant had notice of the premises at the time. The evidence was that the bill sued upon was given in renewal of a prior bill accepted in consideration of the bet. The jury found that the bill declared upon was given in consideration of the bet, and that the plaintiff had notice of it. *Held*, that the plea was proved. *Held*, also, that the plea was a good answer to the action, under the 5 and 6 Will. IV. c. 41. *Hay v. Ayling*, iii. 416.

6. *Plea of want of consideration—False representation.* A plea to an action on a promissory note, "that the note was given without consideration," and "that it was obtained from the defendant upon a representation by the plaintiff that a sum of money was owing from the defendant to the plaintiff by virtue of an indenture, whereas no such sum was owing," is a good plea of no consideration, without alleging that the representation was made "fraudulently," or that it was a representation of a matter of fact, and the word "fraudulently," if used, might be rejected as surplusage. *Southall v. Kigg*, iv. 366.

III.—ACCEPTANCE; LIABILITIES OF ACCEPTORS; PRESENTMENT, &c.

1. *On behalf of joint-stock company.* A bill of exchange, drawn upon a joint-stock company by its corporate name, was accepted as follows: "Accepted, J. B. and E. N. directors of the C. Company, appointed to accept this bill." J. B. and E. N. were, in fact, directors of the company. The corporate seal, having the name of the company inscribed, was also affixed to the bill, and it was countersigned by the secretary. *Held*, that the bill of exchange was sufficiently expressed to be accepted by J. B. and E. N. on behalf of the company, within 7 & 8 Vict. c. 110. s. 45. *Halford v. Cameron's, &c. Railway Co.*, iii. 309; *Edwards v. Cameron's &c. Railway Co.*, xi. 565.

2. *Prima facie evidence of—Reasonable time.* The bare production of a bill of exchange, with formal proof of the writing to the acceptance, is *prima facie* evidence that the bill was accepted during its currency, and within a reasonable time of the date, such being the regular and usual course of business. What is a reasonable time depends on the relative places of abode of the parties to the bill. *Roberts v. Bethnell*, xiv. 218.

3. *Contract raised by—Where made.* Where a bill is sent from one country by the drawer to the drawee in another, who there accepts it, and returns it to the drawer, the contract raised by the acceptance was made in the country of the drawee. So, also, where the bill is thus sent from one place to another in the same country. *Wilde v. Sheridan*, xi. 380.

4. *Acceptance in blank.* If an indorser of a bill, accepted in blank, is aware of that fact at the time of the indorsement, he must be taken to have as full knowledge of the circumstances of the origin of the bill as if he had made the proper inquiry. In this case a claim by the holder of such a bill against the estate of a deceased person was not allowed. *Hatch v. Searles*, xxi. 219.

5. *Of bill payable at bank—Indorsement by bank.* A bill of exchange, drawn by A., was accepted, payable at a bank. A., a customer of the bank, discounted the bill with them, and the bank re-discounted it, and indorsed

it to a third party. On the day when the bill became due, it was presented at the bank for payment by the holder, and there being no funds of the acceptor then in their hands, the bank having paid it, instead of debiting the acceptor's account with the amount, carried it to a separate account as an unpaid bill. The acceptor not having provided funds in the course of the day, the bank sent notice of its dishonor to the drawer on the next morning, and debited his account with it. In an action by A. against the bank for money lent, in which the defendants set off the amount of the bill, the jury found that the bank paid the bill as indorsers of it, and not as agents of the acceptor. *Held*, that the jury were justified in so finding. *Pollard v. Ogden*, xxii. 152.

6. *Blank acceptance—Statute of Limitations.* A person, by giving another a blank acceptance, makes him, as to third parties, his general agent to fill up the bill to the extent the stamp will cover, and he is bound by his acceptance in the hands of an innocent holder for value; therefore, to an action by an indorsee for value without notice against the acceptor, it is no defence that the acceptance was given in blank to the drawer, and that the bill was not filled up and issued until an unreasonable time (twelve years) after. In such case, the Statute of Limitations runs from the time the bill became due, as filled up, and not from the time it would have become due, if completed when it was accepted in blank. *Montague v. Perkins*, xxii. 516.

7. *Individual Liability on bill accepted for company.* Where a bill was addressed to a mining company, and accepted for the company by the defendant as manager, and it was shown that he and three others had agreed to form the company, and that the mine had been worked on the footing of that agreement, it was *held*, that the defendant was individually liable on the bill as a member of the company. *Owen v. Van Uster*, i. 396.

8. *Unauthorized acceptance for company.* A man who accepts a bill for a company, without authority to do so, binds himself, but not the company, even though he states at the time that he will not be personally bound. *Nicholls v. Diamond*, xxiv. 403.

9. *Of bill given for bets made by drawer as acceptor's agent.* It is no defence to an action against the acceptor of a bill of exchange, that the bill was given for bets on horse-races made by the drawer as acceptor's agent, but paid by him without the acceptor's request. *Oulds v. Harrison*, xxviii. 524.

10. *Drawn in blank abroad—Fraudulently filled up—Acceptance procured by fraud.* Where a bill of exchange, drawn in blank in a foreign country, was sent by the drawer to his agent in London, to be accepted by the customer of the drawer as a mode of payment for goods; and the agent, without any authority from the drawer, filled it up, and induced the defendant, who was not a customer of the drawer, to accept it, and afterwards, in fraud of the drawer, indorsed it to the plaintiffs for value, it was *held*, that the bill was a foreign bill, not requiring a stamp, and that the acceptor was liable. *Barker v. Sterne*, xxv. 502.

11. *"Retire," meaning of.* E. drew a bill on the plaintiff for 477*l.*, and to induce him to accept it, gave him the defendant's acceptance of a (second) bill for the same sum. The defendant suspended payment. E. then induced the plaintiff to accept a (third) bill, agreeing in writing to find him funds to pay it and "retire" the second bill. E. accordingly afterwards

paid the plaintiff 477l., who paid the amount of the second bill to the holder, and took it, promising to surrender it to E., but afterwards refusing to do so. The plaintiff paid the first and third bills, and sued on the second. The defendant pleaded that he had paid the plaintiff a sum of money on condition he should retire and deliver up the bill as discharged. *Held*, that the word "retire," in the written agreement, did not mean "to cancel and discharge," when used of an indorser. That the plaintiff had accepted the third bill on the faith of the agreement, and that his liability was unaffected by his subsequent promise to return the second bill. That the action was maintainable; and that there was no evidence to support the plea. *Elsam v. Denny*, xxv. 423.

12. *Presentment for—of bills payable on or after sight—Check.* In bills of exchange payable on or after sight, our law does not fix a time for presentment for acceptance; but the rule is that, where there is no usage of trade, the bill must be presented within a reasonable time, which is a mixed question of law and fact for the determination of a jury, with the assistance of a judge. In such questions the interests, not only of the drawer, but of the holder also, must be taken into account; and, though the bill need not be sent for acceptance by the very earliest opportunity, there must be no improper delay. And it is no answer to the objection of laches that the parties remained solvent from the date of the bill to the day of presentment, and that no actual loss was occasioned by the laches. But these rules do not apply to a banker's check, which is a peculiar sort of instrument. *Mullick v. Radakissen*, xxviii. 86.

13. *Agent of drawer and drawee—Failure of agent before maturity of bill.* A. sent B. an order for coffee, saying, that for the costs of the coffee he had opened a credit in favor of B. with C. of London. C. was the agent of both A. and B. B. drew on him at sixty days after sight, and C. on receiving the bill marked it as accepted, and afterwards formally accepted it, and charged the amount to A. and credited it to B., with interest from the date of the receipt of the bill. C. failed before the bill was due, having never had assets of A.'s sufficient to meet the bill. B. was a creditor of C.'s. The bill was protested for non-payment, and B. sued A. for the price of the coffee, and recovered on the ground that the circumstances did not import that B. had accepted the credit on C. as present payment, and taken the risk of C.'s insolvency; and that C. had no right to enter it as present payment without B.'s consent. *Maxwell v. Deare*, xxvi. 56.

IV.—INDORSEMENT.

1. *Delivery to indorsee.* In order to constitute a legal and valid indorsement of a bill of exchange, the holder must not only write his name on the back thereof, but he must also manually deliver the bill to the indorsee. A delivery, after indorsement to the attorney retained by the indorsee to sue, is not sufficient to sustain the allegation of indorsement in a declaration on a plea traversing it. *Saintburg v. Parkinson*, xx. 351.

2. *Delivery for special purpose.* A., being the payee and holder of a bill of exchange, wrote his name upon it, and gave it to B. for the purpose of getting it discounted. B. never paid A. any money in respect of the bill, but kept it until it was overdue, when he delivered it to C., without receiving any value for it. *Held*, that there was no indorsement by A. to B. *Lloyd v. Howard*, i. 227.

3. *Indorsement for discount.* The drawer of an accepted bill of exchange wrote his name across the back of the bill, and delivered it to A. to get discounted; who, instead thereof, while the bill was running, deposited it with B. as security for money, advanced to himself, without fraud on the part of B. *Held*, that there was a valid indorsement of the bill by the drawer to B. *Palmer v. Richards*, i. 529.

4. *Indorsement of overdue bill—Equities—Set-off.* The statutory right of set-off is not one of the equities subject to which an overdue bill of exchange is taken by an indorsee, and notice given by the drawee to the drawer, of election to set-off a cross claim, makes no difference, unless there is an agreement to allow the set-off assented to by both of the parties to the bill. *Oulds v. Harrison*, xxviii. 524.

5. *Transfer of bill indorsed in blank.* Where a bill of exchange is indorsed in blank, and is transferred by the indorser by delivery only, without any fresh indorsement, the transferee takes as against the acceptor any title which the intermediate indorser possessed. *Fairclough v. Paria*, xxv. 533.

V.—DISHONOR AND NOTICE OF; PROTEST.

1. *Knowledge of party giving notice.* If a party to a bill gives a positive notice of its dishonor, which afterwards turns out to be true, it is immaterial whether he had absolute knowledge of the fact at the time when he gave notice. *Jennings v. Roberts*, xxix. 118.

2. The defendant indorsed a bill, accepted and payable in London, to the plaintiff, who indorsed it to a country bank. On the day when it fell due, the plaintiff told the defendant that the manager of the bank said the bill would be back from London in the morning, and he asked the defendant for the money for it. Another witness added that the plaintiff said the bill had been dishonored. The manager of the bank did not, in fact, know that the bill had been dishonored until the next morning. The judge told the jury that if they believed the evidence, this was a good notice of dishonor, if the defendant so understood it. The jury found for the plaintiff. *Held*, that the evidence was sufficient to make out a notice of dishonor, and that there was no misdirection; what was said about the defendant understanding the words as a notice of dishonor, being by way of caution to the jury against giving to the words the meaning which they would ordinarily bear. *Ib.*

3. *Diligence of holder.* Notice of the dishonor of a bill of exchange for non-payment by the acceptor, was sent by the holder to the drawer, through the post, addressed "London," the bill itself being dated London simply. The drawer resided at Chelsea, and the notice never reached him, and it was stated in evidence that had inquiry been made of the acceptor, whose address was given in the bill, the drawer's address might have been ascertained. *Held*, in an action against the drawer, that due diligence on the part of the holder sufficiently appeared, and therefore that he was entitled to succeed upon the issue of whether or not due notice of dishonor had been given. *Bunnester v. Barron*, ix. 402.

4. *Erroneous description of bill.* A notice of dishonor, sent by the indorsee of a bill of exchange to the drawer, stated the amount of the bill correctly, but erroneously described it as drawn by the acceptor and accepted by the drawer. *Held*, a sufficient notice of dishonor. *Mellersh v. Rippen*, xi. 599.

5. *Form of good notice.* The following is a good notice of dishonor of a bill of exchange: "We beg to acquaint you with the non-payment of Mr. Miles's acceptance to James Wright's draft of the 29th of December last, at four months, £50, amounting, with expenses, to £51 5s. 1d., which remit us, in the course of post without fail, or pay to Messrs. Everards & Co., of Lyme." *Everard v. Watson*, xxviii. 194.

6. *Question for jury.* On the day after a bill became due, the holder's clerk called upon the drawer, and told him that the bill had been duly presented, and that the acceptor "could not pay it;" to which the drawer replied that "he would see the holder about it." *Held*, that it was properly left to the jury to infer from this conversation that the drawer had due notice of dishonor. *Metcalf v. Richardson*, xx. 301.

7. *Notice too late.* The drawer of a bill indorsed it to defendant, who indorsed it to A., and A. to plaintiff. The bill fell due on Saturday, the 15th, and was dishonored. The plaintiff, the holder, on Monday, the 17th, gave notice of dishonor to it. A. gave notice to the defendant, but on the 18th the plaintiff gave the defendant notice. *Held*, that the notice to the defendant was too late. *Rowe v. Tipper*, xx. 220.

8. At the trial of an action against the drawer of a bill of exchange, in which the defendant traversed the notice of dishonor, it appeared that when the bill came into the plaintiff's hands in due course, he wrote to an endorsee for the defendant's address, and on the day he received it, sent a notice of dishonor to him. *Held*, sufficient evidence to warrant the jury in finding for the plaintiff. *Dixon v. Johnson*, xxix. 504.

9. *Evidence of.* In an action by indorsee against indorser or drawer, any declaration by him, amounting to an acknowledgment of liability or to a promise to pay, made to any party, applying on behalf of the plaintiff, is good evidence of notice of dishonor. And although the defendant himself is called to disprove notice, yet if the question be left to the jury on his credibility, and they find for the plaintiff, the court will not disturb the verdict. *Jones v. O'Brien*, xxvi. 283.

10. *Protest—Foreign bills taken up for honor of party.* Although to make a party to a foreign bill liable to a person who takes up such bill for his honor, it is necessary that a foreign protest should, previously to so taking up the bill, have been made before a notary, that the payment was made for the honor of such party, yet it is not necessary that such protest should be formally drawn up at the time of such payment, even in the case of payment for the honor of a drawer or indorser. The instrument may be drawn up at any time afterwards, if before trial. *Geralopulo v. Wicler*, iii. 515.

VI.—ALTERATION; PAROL DISCHARGE; USURY.

1. *Alteration without consent of maker.* A note was made payable five months after date with lawful interest, and afterwards, and before the note became due, the words "interest to be paid at £6 per cent. per annum," were written in the corner of it, without the consent of the maker. *Held*, in an action by the payee against the maker, that there was a material alteration of the note, and that the plaintiff was not entitled to recover in the action. *Warrington v. Early*, xxii. 208.

2. *Insertion of words without acceptor's knowledge.* Where a bill of exchange was, without the privity of the acceptor, altered by inserting the

words "payable at A.," and afterwards indorsed to the plaintiff for value, who took it *bonâ fide*, and without knowledge of the alteration, *it was held*, that this was a material alteration, which discharged the acceptor. *Burchfield v. Moore*, xxv. 123.

3. *Remedy*. The plaintiff's remedy in such case is confined to a right to recover the consideration for the bill as between himself and his immediate indorser; and a similar remedy may be resorted to between all prior parties to the bill until the party is reached through whose fraud or laches the alteration was made. *Ib.*

4. *Discharge by parol*. Liability on a bill of exchange, or a promissory note, may be discharged by parol. *Foster v. Dawber*, vi. 496.

5. *Security of land—Usury*. A bill of exchange at three months, made to secure the repayment of money lent by the plaintiff at interest exceeding £5 per cent., is not invalidated by reason of the plaintiff holding the security of land also for repayment, within the 3 & 4 Will. IV., c. 98, s. 7, and the 2 & 3 Vict., c. 37, s. 1. *Nixon v. Phillips*, viii. 531.

VII.—LOST BILLS AND NOTES.

1. *Action for goods sold—Plea of bill delivered and lost*. To an action for goods sold, there was a plea that the defendant had accepted and delivered to the plaintiff a bill of exchange drawn on him by the plaintiff, on account of the sum due for the goods, and payable to the order of the latter five months after date; that afterwards the plaintiff lost the bill, and that it from thence hitherto remained lost. *Held*, on general demurrer, that the plea disclosed a good defence to the action, although it did not allege that the bill was overdue, or that the plaintiff had endorsed it. *Crowe v. Clay*, xxv. 451.

2. *Loss of negotiable bill a defence—Bill of exchange*. When a negotiable bill of exchange is lost at the time a party is called on to pay it, the loss constitutes a defence, *aliter*, if it is not a negotiable bill. *Clay v. Crowe*, xviii. 514.

3. *Loss of non-negotiable note*. If the loss of non-negotiable note be a good defence in an action on it, that defence does not arise on a plea of *non fecit*. It seems that even if specially pleaded, it would be no defence. A plea that the note was destroyed in consequence of an agreement between the payee and the maker, cannot be treated as a plea stating the loss of the note, by rejecting the other allegation. *Charnley v. Grundy*, xxv. 318.

VIII. ACTIONS ON BILLS AND NOTES; PLEADING, EVIDENCE, DAMAGES, &c.

Action by bonâ fide holder for benefit of another party. C., a merchant in London, having in his hands funds of W., a merchant in America, by W.'s request, bought of defendant, through a broker, a bill of exchange drawn by defendant on a Paris banker. C. agreed to pay for the bill on the next post-day, according to the custom of London merchants, and forwarded it to plaintiff on account of amount due him by W. Plaintiff acknowledged its receipt, and stated he had placed it to credit of W. C. failed to pay the price of the bill, and, by defendant's order, payment of the bill was refused by drawee. W. reimbursed plaintiff. *Held*, that the

plaintiff was a *bond fide* holder for value, and entitled to maintain the action, though W. was really the party for whose benefit the action was prosecuted; C. not acting as agent for W. in the purchase of the bill, so as to pledge his credit for the price. *Poirier v. Morris*, xx. 103.

Bets—Security for winnings. Where A. and B. jointly made bets with third persons on a horse race, and B. received the money, giving A. a bill on C. (no party to the betting) for his share, it was held, that A. might sue C. on the bill. *Johnson v. Lansley*, xxii. 468.

3. *Interest and possession requisite to sustain suit.* A party cannot sue on a bill of exchange in which he has no interest, and of which he has no possession. An accepted bill was indorsed by the drawer to A., who gave it to B. for value, but without indorsement, saying that he would guarantee the payment. The executor of B., unwilling to sue on the bill himself, applied to A. to see it paid, whereupon it was agreed between them and the plaintiff that the latter should sue on it in his own name; and A. accordingly took a copy of the bill from the executor, and delivered it to the plaintiff for that purpose. An action was then commenced, and the indorsee nor the holder at the commencement of the suit, were both proved. *Emmet v. Tottenham*, xx. 348.

4. *Action by indorsee against acceptor—Plea of payment to drawer.* To an action by the indorsee of a bill of exchange against the acceptor, the defendant pleaded that I. H. the drawer, indorsed the bill to the plaintiff without value or consideration, and that the plaintiff always held it without value or consideration, and that after the bill became due, I. H. accepted certain scrip certificates from the defendant in full satisfaction and discharge of the bill. The plaintiff replied that the bill was indorsed for value and consideration, and upon this issue the defendant had a verdict. *Held*, that the plaintiff was entitled to judgment *non obstante veredicto*. *Milnes v. Dawson*, iii. 530.

5. *Plea of payment of principal and interest, whether an answer.* Where an indorsee sues the acceptor of a bill of exchange, a plea that after the bill fell due the defendant paid the plaintiff principal and interest in full satisfaction and discharge of the bill, is no answer to the action. It should show satisfaction of damages and costs. *Goodwin v. Cremer*, xvi. 90. (For American cases on this point, which differ from each other, see note.)

6. *Shares in money-club—Note given for—Weekly payments no evidence under plea of payment.* By the rules of a 50*l.* money-club, each member was to pay a weekly sum for each of his shares, and to take his share by sale as the sum of 50*l.* was paid in by the members, upon giving security to be approved of by the Committee. Interest was to be paid from immediately after the sale. B. being a member of such club, became a purchaser of a share, and, together with the defendant and another person, gave a joint promissory note to the treasurer of the club for 50*l.*, payable on demand, with interest. The weekly payments were duly made for some time by A. and his sureties, but on their being discontinued, an action was brought upon the note for the full amount. *Held*, that the weekly payments were not evidence under a plea of payment. *Jones v. Gretton*, xx. 472.

7. *Plea of payment by drawer in action against acceptor.* In an action by an indorsee against the accommodation acceptor of a bill, it is not a

good defence to the further maintenance that, after action brought, the drawer paid the amount of the bill and interest to the indorsee, under a judge's order in another action brought by the indorsee against the drawer. *Randall v. Moore*, xiv. 343.

8. *Indorsement to avoid set-off.* The indorsee of a bill of exchange took it from the drawer overdue, and without consideration, with knowledge that the acceptor had given the drawer notice of his election to set-off a cross claim, for the express purpose of avoiding this set-off, and brought suit on it for the benefit of the drawer. *Held*, that he had a legal right to do this, and that a plea setting up the above statement of facts as a defence was bad. *Oulds v. Harrison*, xxviii. 524.

9. *Cancelling of acceptances—Fresh acceptance, new assignment of.* A. S. (a foreign merchant) drew upon D. & Co. several bills, in two parts, which were accepted, and according to instructions were sent to G. & Co., to be held by them at the disposition of the holders of the seconds. A. S. failing to get the seconds discontinued, destroyed them, and sent word to G. & Co. to return the firsts to D. & Co. to have the acceptances cancelled, and instructed D. & Co. to receive and so cancel them. Afterwards, A. S. made new seconds, wrote to D. & Co. that he had annulled the previous instructions to G. & Co., and requested them to replace the firsts in the hands of G. & Co.; thereupon, D. & Co. wrote to A. S. as follows in substance: "We have cancelled the acceptances on your firsts, and therefore it would hardly do to reissue them in their present state, but we have written to G. & Co., explaining this, and requesting them to refer the holders of the seconds to us." *Held*, in an action by the holders of the seconds against D. & Co. that the acceptances had been duly cancelled; and, even if the last letter of D. & Co. to A. S. amounted to a fresh acceptance, that the defendants having pleaded the above facts, such fresh acceptance should have been newly assigned. *Ralli v. Dennistoun*, v. 461.

10. *Evidence—Onus of Proof of Consideration.* Defendant accepted a bill of exchange drawn for his accommodation. It was then indorsed by the drawer, in blank, and delivered to defendant, who delivered it to A., who delivered it to B., for the purpose of getting it discounted for defendant. B., against good faith, and without the authority of defendant or of A., indorsed the bill to plaintiff. *Held*, that defendant was entitled to a verdict, unless plaintiff proved that he had given consideration for the bill. Where the immediate indorser of a bill of exchange to the plaintiff has parted with the bill, in violation of good faith, want of consideration as between him and the plaintiff is presumed, so as to throw upon the plaintiff the onus of proving consideration. *Smith v. Braine*, iii. 379.

11. *Evidence of Negotiation and Payment.* A bill, on being produced at the trial, had the name of the drawer on the back, and a memorandum of the date when it was due on the face of it; and it appeared that the drawer delivered it to the plaintiff, the indorser, after that date. *Held*, that this was no evidence to go to the jury in support of the allegations in the plea, that the bill was negotiated by the drawer, and paid at maturity, when it was delivered by the holder to the drawer, who indorsed it to another party, without the consent of the defendant, the acceptor, and without having it restamped. *Jewell v. Parr*, xxiv. 281.

12. *Admission of Acceptance—Effect of.* Where, in an action against the acceptor of a bill of exchange, plea, non acceptavit, the defendant's

attorney signed an admission that the acceptance was in the handwriting of the defendant, without adding the usual clause, "saving all just exceptions to the admissibility of evidence," it was *held*, that the jury were warranted in finding for the plaintiff, notwithstanding the non-production of the bill. *Chaplin v. Levy*, xxiv. 519.

13. *Fraud as affecting Onus*. In an action by the indorser against the acceptor of a bill of exchange, to which the defendant pleads that the bill was obtained from him by fraud, and indorsed to the plaintiff without consideration, proof of the fraud throws on the plaintiff the onus of proving that he gave consideration for the bill. *Harvey v. Towers*, iv. 531. *Berry v. Alderman*, xxiv. 318.

14. *Fraud—Indorser a convicted Felon—Evidence*. Action against acceptor of a bill of exchange, indorsed to plaintiff by H.; plea, that defendant was defrauded of his acceptance, and that it was fraudulently indorsed by drawer to a person unknown; that H. took it with notice of the fraud, and that the plaintiff had said, in 1852, he had known H. for a long time; a witness was asked whether he had not seen H. in the dock at the Old Bailey, and seen him removed to prison; and it was *held*, that this evidence was inadmissible. *Berry v. Alderman*, xxii. 484.

15. *Questions for Jury—Acceptance—Admission of Liability—Presentment—Indorsement*. In an action on a bill by an indorsee against an indorser, there was no covenant of acceptance in the declaration, and no plea putting it directly in issue, but there was an averment of presentment, and a plea traversing it, and also a traverse of notice of the dishonor. The evidence showed a presentment, not personally, to the supposed acceptor, but at the banking house where, by the supposed acceptance, the bill was payable. *Held*, 1. That the question of the acceptance was open on the pleadings, and that it was a question of fact for the jury. 2. That the defendant's admission of his handwriting and promising to pay, though it might be evidence of notice of the dishonor, was not an admission of liability, which precluded his objecting to the presentment, but that this was also a question for the jury. 3. That it was a question for the jury whether the indorsement was made before the supposed acceptance, but that as the plaintiff admitted this, there must be a verdict for the defendant on the issue as to the presentment, though not on that as to the notice, as no point was made on it at the trial. *Weston v. Hodd*, xxvi. 278.

16. *Measure of damages*. In an action against the drawer of a bill of exchange not bearing interest, which has been dishonored by non-acceptance, if the jury find the plaintiff entitled to interest by way of damages, the measure of damages is the rate of interest at the place where the bill was drawn. *Gibbs v. Fremont*, xx. 555.

IX.—MISCELLANEOUS.

1. *As to the negotiability of a check*, see *Bellamy v. Majoribanks*, viii. 513; and *as to admissibility of a post-dated check to show fraud*, see *Watson v. Paulson*, vii. 585.

2. *Alteration by parol*. The terms of a bill of exchange cannot be altered by a parol contract. *Besant v. Cross*, v. 389.

3. *Vendor of warrants what*. The vendor of a bill of exchange implied by warrants that it is of the kind and description that it purports on the face of it to be. *Gompertz v. Bartlett*, xxiv. 156.

4. *Implied warranty against forgery.* The vendor of a bill of exchange, though no party to the bill, implied by warrants its genuineness, and if it turns out that the name of one of the parties is forged, and the bill becomes valueless, he is liable to the vendee, as upon a failure of consideration. *Gurney v. Wemersley*, xxviii. 256.

5. *Forged acceptance—Discount—Failure of Consideration.* The defendants, bill brokers, having received from A. a bill of exchange drawn and indorsed by A. for the purposes of being discounted, took it to the plaintiffs, who were money-lenders, with whom the defendants had previously had similar dealings, and acting as principals, the defendants procured the bill to be discounted by the plaintiffs, without, however, indorsing or guaranteeing it, though asked by the plaintiffs to do so. The rate of discount charged by the defendants to A., exceeded that charged by the plaintiffs to the defendants. The acceptance to the bill turned out to have been forged by A., and the bill proved valueless. *Held*, that the plaintiffs were entitled to recover the sum paid to the defendants upon the discount of the bill as upon a failure of consideration. *Ib.*

6. *Conditional liability of maker.* If B. is induced to sign a note with A., on the representation that C. will also join, and he signs it with the understanding that he shall not be responsible unless C. does thus join, and C. refuses to do it, whereupon A., without the knowledge of B., passes the note to D. for value, then B. is not liable on the note. *Aude v. Dixon*, v. 512.

7. *One note taken in satisfaction of another.* An agreement between the payee and one of several makers of a joint and several promissory note, that the payee shall take another promissory note in satisfaction of the first, with payment of the note taken by the payee on such understanding, amounts to payment by the other makers of the joint and several note, though the second note be made by a third person, and paid by a fourth. *Thorne v. Smith*, ii. 301.

RECENT CASES IN LIFE ASSURANCE.

FROM THE DIGEST OF ENGLISH LAW AND EQUITY REPORTS. PUBLISHED BY
MESSRS. LITTLE, BROWN & CO., BOSTON.

1. *Principle of Life assurance.* The contract, commonly called life assurance, is a mere contract to pay a certain sum of money on the death of a person, in consideration of the due payment of a certain annuity during his life, and is not a contract of indemnity. *Dalby v. India & London Life Assurance Co.*, vol. xxviii. 312

2. *Wager policies.* At Common law, wager policies, which were not contrary to the policy of the law, were legal contracts, but they are now forbidden by Stat. 14 Geo. III., c 48. The effect, however, of that statute is, that a party insuring the life of another may recover to the extent of the interest which he had in such life, at the time of effecting the assurance, although such interest may have diminished or ceased since the assurance. *Ib.*

3. *Insurable interest.* J. W., having an interest in the life of the Duke of C. to the extent of 3,000*l.*, effected four policies of assurance with the A. Assurance Company upon the duke's life for that amount; and that Company effected a policy with the defendants by way of counter-assurance, for 1,000*l.* of the amount. J. W. afterwards, in consideration of an annuity, surrendered the policies to the A. Company, and three of them were cancelled; but the A. Company paid premiums to the defendants on the other policy effected with them, until the death of the Duke of C. *Held*, that as the A. Company had an insurable interest to the amount of 1,000*l.* at the time of effecting the policy with the defendants, they were entitled to recover that amount. *Ib.*

4. *Waiver by insurer of breach of conditions.* If an agent of an insurance company receives the regular premiums from the insured, knowing that a condition of the policy has been broken by the insured, this knowledge of the agent is constructive notice to the company of the breach, and the acceptance of the premiums is a waiver of the forfeiture by the company. *Wing v. Harvey*, vol. xxvii. 140.

5. *Avoidance of insurance.* An insurance company having had the chance of a contract of life insurance turning out in their favor, cannot afterwards be permitted, on the ground of the inconsistency of the contract with their rules, to escape from it. *Collett v. Morrison*, vol. xii. 171.

6. *Assurance in trust for another.* The Stat. 14 Geo. III., c. 48, does not prohibit a policy of life insurance from being granted to one person in trust for another, where the names of both persons appear on the face of the instrument; nor does the effecting of such an insurance in any way contravene the policy of the statute. *Ib.*

7. *Fraud in issuing policies.* If, upon a proposal and agreement for insurance, a policy be drawn up by the insurance office in a form which differs from the terms of the agreement, and varies the rights of the parties assured, equity will interfere, and deal with the case on the footing of the agreement, and not on that of the policy. Circumstances in which insurance companies preparing and issuing policies not in conformity with the agreement upon which the assurance was accepted, may be liable in equity on the ground of fraud. *Ib.*

8. *Declaration of health—Usage upon reinsurance.* Evidence was given that it was usual where insurance offices reassured lives, on which they had before granted policies, for the office proposing such reinsurance to submit to the office granting it the papers on which the original assurance was effected, and for the latter office to accept or decline such reinsurance on the statements contained in those papers. *Held*, by Lord Campbell, C. J., that the evidence of this usage was admissible, to show that no declaration as to the present health of D. was signed by the plaintiffs—*dis-sentientibus*, Coleridge, J., and Erle, J. *Foster v. The Mentor Life Assurance Co.*, vol. xxiv. 103.

9. The plaintiffs (the B. Insurance Company) reassured with the defendants (another insurance company) the life of D. When the proposition to reassure was made, the defendants sent a form of declaration to the plaintiffs, which was never signed by the plaintiffs or by D., except that at the foot of the words "for these particulars, see copies of B. papers attached," the plaintiff's agent signed his name. The defendants signed the policy, reciting that the plaintiffs had delivered to the defendants a declara-

tion signed by them, setting forth the past and present health of D., and that such declaration was to be the basis of the contract, and if any thing were untrue in it, the policy was to be void. *Held*, that whether the plaintiffs had signed the declaration was a question for the jury, and not for the judge; and that the plaintiffs were not under circumstances precluding them from denying that they had signed the said declaration. *Ib.*

10. *False Statements—Questions for jury.* If, in a contract for a life insurance, certain questions be proposed by the Company, and answered by the party wishing to be insured, and it be agreed that "If there shall have been any fraud or misstatement," or "any false statement made to the Company in or about obtaining or effecting of the insurance," then shall the policy be void; the questions to be left to a jury are—first, were the statements false; secondly, were they made in obtaining the policy, and not whether the statements were material. *Anderson v. Fitzgerald*, vol. xxiv. 1.

11. *Recovery in case of self-destruction.* A. upon his marriage gave a bond to secure 5,000*l.* to his intended wife. Several years after the marriage, A. being in difficulties, and unable to perform his bond, it was arranged that his wife should, out of her private income, keep up certain policies to be effected on A.'s life, in which he was to have no further interest than to carry out his bond. In pursuance of this arrangement, A. insured his life by a policy, one of the conditions of which provided that policies effected by persons on their own lives, who should die by their own hands, should be void, so far as regards the executors or administrators of the person so dying, but should remain in force only to the extent of any *bonâ fide* interest acquired by any other person under an actual assignment by deed for a valuable consideration in money, or by virtue of any legal or equitable lien as a security for money, upon proof of the extent of such interest being given to the Directors to their satisfaction. The policy, together with the bond for 5,000*l.*, was immediately, on its being effected, handed over to T. as a trustee for A.'s wife, in whose hands they always remained. A.'s wife paid the premiums upon the policy in pursuance of the arrangement. A. died by his own hands, and a claim was made upon the insurance office by his executors for the amount of the policy, which was resisted. *Held*, that T. had a *bonâ fide* interest in the policy by virtue of an equitable lien as a security for money, within the meaning of the condition, and that the executors of A. were, therefore, entitled to recover. That, under the condition, it was obligatory upon the office to pay the amount of the policy, upon proof of the interest being given as required; and that it was sufficient if evidence to that effect was given to the Directors, with which they ought reasonably to be satisfied. That the condition was not illegal as offering an encouragement to suicide. *Moore v. Woolsey*, xxviii. 248.

12. *Agreement—Annuity—Policy of insurance, as security—Evidence to be delivered upon payment of loan.* Where the plaintiff borrowed money, and the creditor procured an insurance on the plaintiff's life for the amount so borrowed, and the plaintiff gave as security a warrant of attorney for the same amount, and also a bond with sureties conditioned for the payment of an annuity during the life of the plaintiff, and all additional premiums of insurance which might be occasioned by the plaintiff, which annuity amounted exactly to the interest on the sum borrowed, together

with the premium on the policy of insurance, the letters which were written in negotiating the loan, and not inconsistent with the bond, may be read as evidence that the insurance constituted a part of the security of the loan; and being shown to be a part of the security, upon payment of the loan, the policy will be ordered to be delivered up to the plaintiff. *Gottlieb v. Cranch*, vol. xxi. 67.

13. *Against railway accidents—Measures of damages.* In a suit on a policy of insurance, by which 1,000*l.* was to be paid to the plaintiff's representatives in case of his death by railway accident, and a proportionate part of that sum to him in case of a personal injury by such accident, it was *held*, that the assured could only recover for the personal expense and pain occasioned to him by the injury, and was not entitled to damages for loss of time or loss of profit occasioned by it, and that it was not a true measure of damage to assume the sum insured as the value of life, and estimate a proportionate sum for the injury sustained. *Theobald v. The Railway Passengers Assurance Co.*, vol. xxvi. 433.

14. *Accident within the policy.* A Railway Insurance Company insured the plaintiff 1,000*l.*, payable to his representatives, in the event of his death from railway accident, a proportionate part of the sum to be paid him in case of injury by such accident. In getting out of the carriage after the train stopped, the steps of the carriage being accidentally slippery, the plaintiff fell without any negligence on his part, and was injured. *Held*, a railway accident within the meaning of the policy. *Ib.*

FREE BANKING IN IOWA.

AN ACT AUTHORIZING GENERAL BANKING IN THE STATE OF IOWA.

§ 1. *Be it enacted by the General Assembly of the State of Iowa,* That the Auditor of public accounts is hereby authorized and required to cause to be engraved and printed in the best manner, to guard against counterfeiting, such quantity of circulating notes in similitude of bank notes in blank, of different denominations not less than one dollar, as he may from time to time deem necessary to carry into effect the provisions of this act, such blank circulating notes shall be countersigned, numbered, and registered in proper books, to be provided and kept for that purpose in the office of the Auditor, and under his direction, by such register or registers as the said Auditor shall appoint for that purpose, so that each such circulating note shall bear the signature of such register, or one of such registers, of the notes furnished to any corporation organized under the provisions of this act, not more than ten per cent. of the amount shall be in notes of one dollar each, not more than ten per cent. in notes of two dollars each, and not more than twenty-five per cent. shall be in notes of all denominations under five dollars, and not more than fifty per cent. in notes of all denominations under ten dollars.

§ 2. Nothing herein contained shall be so construed as to prevent any

corporation from procuring their own plate dies and other materials for engraving and printing blank notes, and furnishing them to the Auditor, and leaving them ever after in his custody and control, to be used and disposed of as though such Auditor had procured them under the preceding section.

§ 3. Whenever any corporation formed for the purpose of banking, under the provisions of this act, shall lawfully transfer to and deposit with the Auditor any portion of the public stock issued, or to be issued by the United States, or any State stocks on which full interest is annually paid, or the stocks of this State, said stocks to be rated at ten per cent. below their average value in the city of New York, for thirty days next preceding the time when such stocks may be left on deposit with the Auditor, and in no case shall the Auditor issue bills for banking purposes on bonds of this or any other State on which not less than six per cent. is regularly paid, such corporation shall be entitled to receive from the Auditor an amount of such circulating notes of different denominations registered and countersigned as aforesaid, equal to the amount of stock actually deposited, rating said stock at ten per cent. less than its average value as aforesaid.

§ 4. A descriptive list of the circulating notes so registered and signed, shall be delivered to the Treasurer, who shall copy the same in the book hereinafter required, to be kept by him, for recording descriptive lists of securities deposited with him for safe keeping.

§ 5. Such corporation is hereby authorized, after having executed and signed the circulating notes registered and countersigned as aforesaid, in the manner prescribed by this act, made payable on demand at the banking-house of said corporation within this State, to loan and circulate the same according to the ordinary course of banking business, and no such corporation shall at any time issue or have in circulation any note, draft, bill of exchange, acceptance, certificate of deposit or other evidence of debt, which, from its character or appearance, shall be calculated or intended to circulate as money, other than such notes of circulation as are in this section provided for.

§ 6. Three descriptive lists of the securities transferred to the Auditor as aforesaid, shall be made and signed by the Auditor and persons making the transfer, one in a well-bound book to be kept by the Auditor for that purpose, and one in a like book to be kept by the Treasurer, and one in a book to be kept by the corporation, which book shall at all times be open to inspection, and said securities shall then be delivered to the Treasurer for safe keeping, who shall receipt to the Auditor for the same, and who shall be responsible for any loss or destruction thereof growing out of, or resulting from negligence or the want of reasonable precaution and care. The whole or any part of said securities may be re-delivered to the Auditor for the purpose of being sold under the provisions of this act, or being used or disposed of under any order or decree of court, or of being returned to the owner in conformity with the provisions of this act, the Auditor in either case giving a receipt upon the book kept by the Treasurer aforesaid, specifying therein the purpose for which such re-delivery was made, which receipt shall discharge the Treasurer from all further responsibility, but the Auditor shall be liable in the same manner as the Treasurer is while keeping or disposing of such security.

§ 7. Any person may establish, or any number of persons may associate to establish offices of discount, deposit and circulation, and become incorporated upon the terms and conditions, and subject to the liabilities prescribed in this act; but the aggregate amount of the capital stock of any such corporation shall not be less than fifty thousand dollars; and the Auditor of State shall not deliver to any incorporation, notes for circulation, until such corporation shall have deposited with and transferred to him the full amount of fifty thousand dollars worth of stocks as named in section three of this act, the same to be rated as provided in said section, and the capital stock as required in this section shall be paid up in cash and be and remain so much of the *bona fide* capital of such corporation. No portion of the capital stock paid in as aforesaid, shall be at any time withdrawn from such corporation so as to reduce the remaining paid up capital then actually held by and in the possession of such corporation below the estimated value of the stocks deposited with and then in the possession of the Auditor or Treasurer belonging to such corporation, which shall be paid up in cash, and be and remain so much of the *bona fide* capital of such corporation. No portion of the capital stock paid in shall be at any time or under any circumstance, withdrawn from such corporation, so as to reduce the remaining capital paid in actually and held by and then in the possession of such corporation below the estimated value of the stocks then held by and in the possession of the Auditor or Treasurer belonging to such corporation.

§ 8. Such person or persons under their hands and seals, shall, previous to their receiving from the Auditor the circulating notes as aforesaid, make a certificate which shall specify—1st. The name assumed to distinguish such corporation, and to be used in its dealings. 2d. The place where the business is to be carried on, designating the particular city, town or village, and the county. 3d. The amount of capital stock which shall be divided into shares of \$100 each. 4th. The names and residences of the shareholders and the number of shares held by them respectively. 5th. The period at which such corporation shall commence and terminate, which certificate shall be acknowledged and recorded in the office of the Recorder of the county where the office of such corporation shall be established, and a copy thereof shall be filed in the office of the Secretary of State, and the Auditor of State; and upon the recording of which certificate, the person or persons aforesaid shall become a body politic and corporate, by the name assumed as aforesaid, for and during the time fixed in the certificate, which shall not be more than twenty years, and by such name shall have power to make contracts, to grant and receive, to sue and be sued, to plead and be impleaded, in all courts and places wherein legal or judicial proceedings may be had; to have and to use a common seal and alter the same at pleasure; to have, hold, use and enjoy property, real, personal, and mixed, with the rents, issues and profits thereof, as hereinafter provided, and to exercise all other powers conferred by this act, and all grants or conveyances of real estate shall be under the seal of the corporation, signed by the President and countersigned by the Cashier.

§ 9. A copy of the certificate required by the eighth section of this act duly certified by the Recorder of the county and Secretary of State, or by either of these officers, may be used as evidence in all courts and places, by

any such corporation, or any person, when such evidence may be necessary for any civil or criminal trial.

§ 10. Such corporations shall have power to carry on the business of banking by discounting bills, notes and other evidence of debt by receiving deposits, by buying and selling gold and silver bullion, foreign coins and bills of exchange, by loaning money on personal security, and by exercising such incidental powers as may be necessary to carry on such business, may choose one of their number as President, and appoint a Cashier and such other officers and agents as their business may require; but no loans shall be made, nor shall any bill, note or other evidence of debt be discounted or purchased having more than four months to run before maturity; and in all cases, personal security shall be required.

§ 11. The shares of such corporations shall be deemed personal property, and shall be transferable on the books of the corporation only and in such manner as may be provided in the by-laws of such corporation; and every person becoming a shareholder by such transfer, shall, in proportion to his shares, succeed to all the rights of the shareholder or shareholders by whom the transfer was made; no change shall be made in the articles of Association, or of the shareholders or members thereof, by which the rights, remedies or securities of its existing creditors may be impaired, such corporation shall not be dissolved by the death or insanity of any of the shareholders therein, when there is more than one shareholder in such association. Taxes shall be levied on and paid by the corporation, and not upon the individual stockholders; the value of the property to be ascertained annually by the Bank Commissioner herein provided for; and the rate of taxation shall be the same as that required to be levied on other taxable property by the revenue laws of the State.

§ 12. Contracts made by any such corporation, and all notes by them issued and put in circulation, shall be signed by the President and Cashier thereof, and all suits, actions and proceedings brought or prosecuted by, or in behalf of such corporation, may be brought or prosecuted in the name of the corporation; and no such suit, action, or proceeding shall abate by reason of the death, resignation or removal from office of any President, but may be continued the same as if such death, resignation or removal from office had not taken place.

§ 13. Any person or persons having demands against any such corporation, may maintain action or actions against such corporations, which suits or actions shall not abate by reason of the death, resignation, or removal from office of any President or other officer, but may be continued and prosecuted to judgment against the corporation; and all judgments and decrees obtained against such corporation for any debt or liability of such corporation, shall be enforced against the property of the same, except such judgments or decrees as may be obtained against shareholders as herein provided.

§ 14. The Auditor shall give to any corporation so transferring stocks in pursuance of the provisions of this act, power of Attorney to receive interest on dividends thereon, and apply to their own use; but such power may be revoked upon such corporation failing to redeem the circulating notes so issued, or whenever in the opinion of the Auditor the principal of such stock shall become insufficient security; and whenever any such corporation shall go into liquidation, or in any other manner proceed to close up its

affairs, the Auditor shall, upon application of the owner or owners of such stock, re-transfer the same or any part thereof to such owner or owners upon receiving and cancelling an equal amount of such circulating notes delivered to him by such corporation in such manner that the circulating notes outstanding, shall always be secured in full by the pledge of stocks, which cancelled circulating notes, after descriptive lists thereof have been made and recorded by the Auditor and Treasurer, shall, in presence of these officers be consumed by burning, and in case they shall fail to so burn any notes returned to them for that purpose, they shall be deemed guilty of felony, and liable to a fine of not more than \$5,000 and imprisonment in the Penitentiary not less than five nor more than twenty years.

§ 15. In case such corporation shall fail or refuse to pay any bill or note on demand in the manner specified in the 25th section of this act, the Auditor, after ten days' notice given in two newspapers printed in the city of New York, shall proceed to sell at public auction in the city of New York, the public stock so pledged, or such portion as may be necessary, and out of the proceeds of such sale shall cancel and pay the said bill or note, default in paying which shall have been made as aforesaid; but nothing in this act contained shall be considered as implying any pledge on the part of the State for the payment of said bills or notes beyond the proper application of the securities pledged to the Auditor for their redemption.

§ 16. The public stock deposited with the Auditor by any such corporation shall be held, first, for the security of notes of such corporations put in circulation as money until the same are redeemed as herein provided; second, for the payment of depositors; third, for the payment of all other liabilities, and the excess for the use of stockholders.

§ 17. The plate, dies, and materials which may be furnished by the Auditor for the printing and marking of the notes provided for hereby, shall remain in his custody and under his direction, and the expense incurred in executing the provisions of this act shall be audited and settled by the Auditor, and paid out of any money in the Treasury not otherwise appropriated; and for the purpose of reimbursing the same, the said Auditor is authorized and required to charge against and receive from such corporation applying for such circulating notes, such rate per cent. thereon as may be sufficient for that purpose.

§ 18. It shall not be lawful for the Auditor or other officer to counter-sign notes for any corporation, to any amount in the aggregate exceeding the public stock deposited with the Treasurer by such corporation rated as provided in the third section of this act, and any Auditor or other officer who shall violate the provisions of this section, shall upon conviction be adjudged guilty of a felony, and shall be punished by a fine of not less than five thousand dollars, and be imprisoned not less than five years in the Penitentiary.

§ 19. Every corporation under the provisions of this act shall be liable to pay the holder of every note put in circulation, the payment of which shall have been demanded and refused, damages for the nonpayment thereof in lieu of interest at the rate of twelve and one-half per cent. per annum from the time of such refusal, until the payment of such debt and

the damage thereon, *Provided*, that no damage shall be allowed on such demand after the bank has gone into liquidation. The President and Cashier of every corporation formed pursuant to the provisions of this act, shall keep a true and correct list of the names of all the shareholders of such corporation, and shall file a copy of such list in the office of the Clerk of the county where the office of such corporation may be located, and also in the office of the Auditor on the first Monday in January in every year, but the holder of any claim against such bank or corporation payable on demand or due at the time of going into liquidation, shall be entitled to interest at the rate of ten per cent. per annum until paid, and all other claims shall bear the same rate of interest after maturity.

§ 20. It shall not be lawful for any corporation under this act to make any of its notes put in circulation as money, payable at any other place than at the office where the business of the corporation is carried on; every corporation which may be authorized under the provisions of this act shall be located in some city, town or village having a population of not less than five hundred inhabitants, nor shall the office where the business of such corporation is transacted be at any other place than the city, town or village, wherein such corporation is located.

§ 21. No corporation shall issue or put in circulation any notes of such corporation unless the same be made payable on demand, and every such corporation shall always keep on hand an amount of specie sufficient to redeem all such bills or notes as may be presented at the place of payment.

§ 22. Each corporation shall always keep on hand an amount (in addition to that required to be kept on hand by the provisions of the preceding section) equal to twenty-five per cent. of the amount of specie deposits in specie, and the same proportion of its other deposits for the security of depositors; but no such corporation shall pay any interest on current deposits.

§ 23. No corporation organized under the provisions of this act shall at any time pay out on loans or discounts or in purchasing drafts or bills of exchange or in payment of depositors, nor shall it in any mode put in circulation the notes of any bank or banking company, which notes shall not at that time be redeemable in specie at the place where such notes are made payable.

§ 24. All grants, conveyances, assignments, transfers, sales or disposition of property, rights, credits or effects by any such corporation, for the purpose or with intent to secure the payment of one liability in preference to another or others, or in any manner to secure any priority or preference to any one or more creditors, or which shall be intended to have such operation or effect, shall be void in respect to all other persons and creditors whose rights or remedies may be affected thereby.

§ 25. It shall be lawful for such corporations to purchase, hold and convey real estate for the following purposes: 1st. Such as shall be necessary for its immediate accommodation, banking houses and buildings connected therewith, in the transaction of its business. 2d. Such as it shall purchase at sales under judgments, decrees or mortgages held by such corporation and at sales under judgments and decrees in favor of others, where it is done with the sole view of securing and saving debts due or to become due to such corporation.

§ 26. The said corporation shall not purchase, hold or convey real estate in any other case or for any other purpose whatever; and all conveyances of such real estate shall be made to the corporation, and which the President and Cashier or either may sell, assign, grant or convey under direction of the corporation free from any claim thereon in favor of or against the shareholders, or any person claiming under them.

§ 27. Upon the application of the Auditor or of any shareholder or shareholders whose shares shall amount to five thousand dollars or of any person or persons holding evidence of indebtedness against any such corporation to that amount, which application shall set forth in full the facts and circumstances upon which it is made and shall be verified by affidavit, the Judge of the District Court of the county in which the business of the corporation may be conducted, may order an examination to be made by any competent person or persons to be by him appointed of the affairs of such corporation for the purpose of ascertaining the safety of its investments and the prudence of its management, and the result of such examination together with the opinion of the Judge thereon shall be published in such manner as he shall direct, and who shall make such order in respect to the expense of such examination as he may deem proper.

§ 28. If any corporation organized under this act shall refuse to pay any of its circulating notes in gold or silver coin, the lawful currency of the United States, on which payment shall be lawfully demanded at its banking house or customary place of doing business, during usual banking hours, the holder of such note or notes making such demand may cause the same to be protested as hereinafter provided; such corporation shall only be allowed to make payment of any such demand in silver coin where the sum so demanded does not exceed the amount for which silver coin is a legal tender according to the laws of the United States; and when payment shall be demanded on more than one of its notes at the same time, the aggregate amount of such notes to the amount of one hundred dollars shall be considered one demand when any notes the payment of which has been refused as aforesaid are sought to be protested. The Notary Public who presents the same for protest shall present at each time so many of said notes (if so many there be) as will amount in the aggregate to the sum of one hundred dollars, and protest the same in like manner as if said notes were but a note, and so in like manner for all such notes if they do not in the aggregate amount to one hundred dollars; and the Auditor on receiving and filing in his office such protest shall forthwith give notice in writing to the corporation, the maker or makers of such notes, to pay the same, and if he or they shall omit to do so, the Auditor shall immediately thereupon, (unless such corporation shall satisfy him by affidavits, filed in his office, that they or he had a good defence as against the person presenting the same to a recovery thereof,) give notice in at least one paper printed (if any paper is so printed or published) at the place of business of such corporation so refusing payment of any notes, (and in one newspaper published at the seat of government of the State of Iowa,) that all the circulating issued by such corporation will be redeemed out of the trust funds belonging to the corporation which made and issued such protested note, to the payment *pro rata* of all such circulating notes, whether protested or not, and shall adopt such measures for the payment of such notes

as will in his opinion most effectually prevent loss to the holders thereof; and as soon as any such note shall be protested as aforesaid, and a copy of such protest shall be delivered to the President, Cashier or principal clerk, at the office or place of business of the corporation, the powers and duties of any such corporation over or with the same shall cease and determine, and all the officers connected with the same shall be prohibited from exercising any control over the same, unless by decision or decree of the court in which proceedings may be had for the appointment of receivers and winding up of the affairs of the corporation it shall be determined that such corporation was not bound to pay the note or bill as aforesaid, the protest thereof to the contrary notwithstanding, providing that the legal existence of the corporation shall continue for purposes of proceedings in courts for and against the same and of avoiding the loss of property of any kind, for want of a person in being to hold the same, but for no other purpose whatever, and it shall be the duty of the Auditor to apply to any Judge of the District Court of this State, whose duty it shall be to appoint (a disinterested person or persons) a Receiver or Receivers, who shall reside in the county in which the Bank is situated, to take the assets and property of every such corporation into his or their possession, and collect and apply all such assets and property as may come into his or their possession under the direction of the District Court of the county in which the corporation was located, 1st, to the redemption or payment of circulating notes; 2d, to the payment of deposits; 3d, to the payment of all other indebtedness; 4th, to the payment of stockholders. If the Auditor shall not proceed to wind up the affairs of such corporation on the reception and filing by him of the protest aforesaid, the holder or owner of such protested notes shall have such rights at law and equity against such corporation as any creditor has against his debtor according to the laws of this State. Receivers appointed under the provisions of this act shall give bond and security as may be required by the Judge of the Court appointing them.

§ 29. That the distribution and application of all the means, assets and property of such corporation as shall come into the hands of any such receiver or receivers, or shall be in the hands of the Auditor, shall first be applied in payment and satisfaction of all notes issued as and for a circulating medium by any such corporation.

§ 30. Stockholders or shareholders in corporations organized under the provisions of this act shall be individually and severally liable to the creditors of the corporation of which they are stockholders or shareholders over and above the amount of stock by them held, to an amount equal to their respective shares so held, for all its liabilities accruing while they remained stockholders, and no transfer of stock shall affect such liability, and should any such association become insolvent and its assets be found insufficient to pay its debts and liabilities, its stockholders may be compelled to pay such deficiency in proportion to the amount of stock owned by each, and should the whole amount for which stockholders are individually responsible, as provided in this section, be found in any case to be inadequate to the payment of all the residue of the debts of any corporation after the application of its assets to the payment of such debts, then the moneys due from stockholders on account of their individual liabilities as such, shall be distributed

equally among all the creditors of such corporation, in proportion to the amount due to each.—The personal liability in this section provided for, is over and above the stock owned by stockholders and any amount unpaid thereon.

§ 31. It shall be the duty of the officers having charge of any bank established under the provisions of this act, to cause to be made out on the first Monday of January and July of each year duplicate statements showing the names at length and place of residence of each stockholder of such bank, together with the amount of stock owned by each, and the transfer of all stock, the date of such transfer, the amount so transferred, and the persons by and to whom transferred, one of which statements shall be posted in some conspicuous place in the banking house, and shall be continually exposed to public inspection during the banking hours. The other of said statements shall be caused by the bank to be filed with the Recorder of Deeds in the county in which such bank is located, and a copy of such last named statement duly certified to by the Recorder in whose office the same is filed shall be prima facie evidence of the facts therein contained in any court of justice in this State.

§ 32. That each and all the provisions of this act shall apply to and control in all respects any banker who shall conduct business under the provisions of this law, whether the word banker is or is not used in any such provision.

§ 33. There shall be elected at each regular biennial session of the General Assembly, by the two Houses in joint convention assembled, three electors of the State as Bank Commissioners, whose duties shall be to make semi-annual examination, and as much oftener as they shall deem advisable, in respect to the affairs and business of associations incorporated under the provisions of this act, and in respect to the condition and management thereof, and the amount of specie on hand for the redemption of notes and percentage of deposits on hand, and also to inspect the securities filed with the auditor and treasurer so as to be able to determine whether or not any change has been made in said securities, as well as in respect to the sufficiency of such securities to meet the liabilities of the corporation, and also to determine whether said Bank complies with the provisions of this law, and to report thereon to the auditor and to each corporation. Such commissioners shall have power to examine all books, papers and documents pertaining to the business of the corporation, and to swear or affirm all officers, agents and others connected with the corporation in respect to any matter or thing about which they have the right to inquire, and their reports shall be published in some newspaper published at the seat of government and in a newspaper published in the county in which the bank does business, and if there be no paper published in such county, then in a newspaper published in the nearest county thereto: Provided, That neither of the commissioners elected in accordance with the provisions of this section shall be engaged either directly or indirectly in banking under the provisions of this act, either as stockholder, director or under officer, and should either of them so engage in banking, so elected, it shall be construed as a full resignation of his office as Commissioner.

§ 34. Such Bank Commissioners before entering upon the duties of their office shall take and subscribe an oath or affirmation faithfully and im-

partially to perform all the duties enjoined upon and required to be performed by them, which said oath or affirmation shall be filed in the office of the Secretary of State.

§ 35. If the said Bank commissioners shall ascertain upon any examination that they may make that any change has been made in the securities deposited with the Treasurer, or that any part thereof has been lost, destroyed or improperly withdrawn, or in any way or manner misused or misapplied, or that the securities have from any cause become lessened in value or insufficient for the redemption of bills of circulation, they shall notify the president and cashier of such corporation liable to be affected by any such state of facts, of the discovery thereof, and require the transfer and deposit of other security of the like value with those originally transferred, to supply the place of those changed, lost, destroyed or improperly withdrawn, or which shall have become insufficient security as aforesaid, in a reasonable time to be fixed by said commissioners, or that said corporation surrender to the auditor a sufficient amount of bills to be funded to reduce the liability of such corporation to such sum as that the securities in possession of the Treasurer will be sufficient for the redemption of all notes not so surrendered; and in case of any failure to comply with any such requisition the commissioners shall report the facts to the auditor, as well as to all the other corporations incorporated under the provisions of this act, and the auditor shall thereupon proceed to put such defaulting incorporation into liquidation, as provided for in case of failure to redeem or pay notes on demand. If the said Bank Commissioners shall ascertain upon any such examination that any bank has in any manner failed to comply with the provisions of this act, they shall immediately report the same to the auditor, who shall thereupon proceed to put such defaulting incorporation into liquidation, as provided for in case of failure to redeem or pay notes or bills on demand.

§ 36. Thomas Hedge, of Des Moines county, George L. Davenport, of Scott county, P. Gad Bryan, of Warren county, Thomas A. Graham of Tama county, and E. G. Potter, of Jackson county, shall be and they are hereby appointed Bank Commissioners, who shall hold their office until their successors are elected and qualified. Said commissioners shall, during their term of office, perform the duties prescribed by this act.

§ 37. The Bank Commissioners created by this act, shall each be entitled to receive for their services, for every day actually spent in making the semi-annual examination required by this act, the sum of five dollars per day, which said sum shall be apportioned among the said banks by the Commissioners, in proportion to the amount of their capital, and when the said Bank Commissioners shall deem it necessary to visit any bank oftener than twice in each year, and shall make such visitation, said bank shall pay each of said Commissioners the sum of five dollars for every day actually spent in such visitation.

§ 38. Said Bank Commissioners may cause such semi-annual or other examination to be made by any one or more of their number as they may determine, but all action by them contemplated in section 35 of this act, shall be decided by a majority.

§ 39. Every corporation who shall hereafter carry on banking business, under the provisions of this act, shall make out and transmit to the Auditor

of State, a full statement of its affairs, as they existed on the first Monday of January, April, July and October of each year, verified by the oath of its President, or Cashier, which statement shall be deposited in the office of said Auditor, by the 20th day of each of said months in each year, which statement shall be published quarterly in the nearest newspaper, and such statement shall contain :

First—The amount of capital stock of the corporation paid in, and invested according to law.

Second—The value of the real estate, specifying what portion is occupied by the corporation for the transaction of business.

Third—The debts owing to the corporation, and the date and amount of each bill or note discounted, and when the same was made payable.

Fourth—The amount of debts owing by the corporation, and the amount deposited with other banks.

Fifth—The amount of notes or bills then in circulation of said corporation, of loans or discounts and specie on hand ; what amount of notes of other banks is held by such corporation, and the amount loaned to directors and stockholders in the corporation.

Sixth—The amount of suspended debt held by such corporation.

Seventh—The amount of percentage of deposits on hand.

§ 40. Every corporation that shall neglect or refuse to make out or transmit the statement required in the 34th section of this act, shall be restrained from the further prosecution of the banking business, and shall forthwith go into liquidation.

§ 41. Whenever any corporation desirous of relinquishing the banking business shall have redeemed at least ninety per cent. of their circulating notes, and shall produce a certificate from the State Treasurer, certifying that such corporation has deposited in his office, subject to the order of the Auditor, a sum of money equal in amount to the notes of such corporation then outstanding, it shall be lawful for the Auditor to receive the same and to give up all the securities heretofore deposited by such corporation, for the redemption of the notes issued, which sum so deposited with the State Treasurer as aforesaid shall be appropriated solely for the redemption of the outstanding notes of such corporation subject to the provisions herein-after mentioned.

§ 42. Every officer, agent or clerk of any incorporation authorized by this act, who shall wilfully and knowingly subscribe or make any false statement or false entries in the books of such incorporation, or shall knowingly subscribe or exhibit false papers with the intent to deceive any persons authorized to examine as to the condition of such incorporation, or shall wilfully or knowingly subscribe or make false reports, shall be deemed guilty of felony, and upon conviction thereof shall be fined not exceeding ten thousand dollars, and be imprisoned in the State Prison not less than two nor more than fourteen years, and be forever after rendered incapable of holding any office created by this act.

§ 43. Such corporation, after having complied with the provisions of the preceding sections of this act, may give notice for two years in a paper published at the seat of government, and also in at least one paper published in the county where the said corporation shall have been located, that all circulating notes issued by said corporation, must be presented

at the Auditor's office within two years from the date of said notice, or that the funds deposited for the redemption of the notes will be given up to the corporation, and receiving satisfactory proof of the giving of such notice for the time aforesaid, the Auditor shall surrender to the order of said corporation, any securities which he may hold for the payment of any unredeemed notes of said corporation, and the Treasurer shall deliver over to such corporation any moneys in his hands which have been deposited with him for such purpose, on the production of such certificate; such notice to be published at least three weeks in each six months of each year.

§ 44. Each corporation organized under the provisions of this act may take, receive, or charge on any loan or discount made, or upon any note or bill of exchange or other evidence of debt discounted or purchased by them, interest at the rate of ten per centum per annum on the amount of any such note, bill of exchange or other evidence of debt discounted or purchased, and no more, until the first day of January, A. D. 1863, after which time no more than eight per cent. shall be so taken, received or charged; Provided, however, that interest may be reserved or taken in advance at the time of making the loan or discounting according to the usual rates of banking, or as calculated in "Rowlet's Interest Tables," and the knowingly taking, reserving or charging on any debt or demand discounted or purchased by any corporation a rate of interest greater than that allowed by this section, shall be held and adjudged a forfeiture of said debt or demand, but the purchaser of a bona fide bill of exchange or note payable at another place, than the place of such purchase or discount, and the taking or reserving interest thereon at the rate aforesaid from the time of such purchase or discount, till the maturity of bill or note, shall not be held usurious, although exchange on the place where it is made payable is at the time of such purchase or discount worth a premium, nor shall the discount or purchase of a bona fide bill or note payable at a place between which and the place of discount or purchase there may be a difference in exchange, and taking in addition to the rate of interest aforesaid the rate of exchange between such places, be deemed usurious, Provided that in no case shall more than the current rate of exchange between such places be taken.

§ 45. No corporation organized under the provisions of this act, shall exist longer than twenty years.

§ 46. The term stockholders or shareholders as used in this act shall apply only to such persons as appear by the books after association to be equitable owners of stock, although the same may appear on such books in the name of any other person, and also to every person, who shall have advanced the instalment or purchase money of any stock in the name of any person under twenty-one years of age, and while such person remains a minor to the extent of such advance, and also to every guardian or other trustee, who shall voluntarily invest any trust funds in such stock, and no trust funds in the hands of such guardian or trustee shall be in any way liable under the provisions of this act by reason of any such investment, nor shall the person for whose benefit any such investment may be made, be responsible in respect to such stock, until thirty days after the time when such persons respectively become competent and able to control and dispose of the same, but the guardian or other trustee making such invest-

ment as aforesaid, shall continue responsible as a stockholder until such responsibility devolves upon the person beneficially interested therein, and in respect to stock held by a guardian or other trustee under a transfer of the same by a third person or under positive directions by a third person for such investment, the person making such transfer or giving such directions, and his executor and administrators shall for the purpose of this act be deemed a stockholder, and the estate of such person, if he be deceased, shall be responsible for the debt and liabilities chargeable on such stock according to the provisions of this act.

§ 47. No corporation organized under the provisions of this act shall put in circulation in this State the bills or notes of any bank or banking company out of this State, except such as are received in the usual course of business, nor shall any corporation either directly or indirectly exchange its notes intended to circulate as money with any bank or banking company out of this State, or with the agents of such bank or banking company, for the notes of such bank or banking company, with a view to circulate the same as money.

§ 48. This act to take effect and be in force from and after its approval by a majority of all the electors of this State, voting for and against it at an election provided by law, and not otherwise.

APPROVED *March 22d*, 1858.

THE CREDIT MOBILIER.

SKETCH OF THE PRINCIPLES, POLICY, HISTORY AND STATISTICS OF LA SOCIÉTÉ GÉNÉRALE DE CRÉDIT MOBILIER. BY JOHN RAMSAY MCCULLOCH.

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MOBILIER CREDIT (*La Société Générale de Crédit Mobilier*), is a bank founded in Paris, under the sanction of a decree of the imperial government, bearing date the 18th of November, 1852, and is of such a peculiar design and nature as to deserve a lengthened notice. The name is derived from an intentional contrast with companies known on the continent as Sociétés de Crédit Foncier. These companies, which are in the nature of land banks, advance money on the security of real, or, in the language of Continental jurists, immovable property, and raise the money so to be used by the issue of debentures for sums of moderate amount, in some cases for so little as four pounds. The Credit Mobilier, according to its original design, was to obtain money in a somewhat similar way, by the issue of debentures, and to employ the funds so obtained in giving the same aid to the owners, or some of the owners, of movable property, that the companies of Crédit Foncier afforded to persons possessed of land. Such aid was not, however, to be given by the new company in what are clearly the simplest ways, by the discount of bills or advances. There were al-

ready in France institutions, such as the Bank of France and the Comptoir d'Escompte, which aided commercial men by loans in those forms. The Credit Mobilier was to effect a similar object in a mode less direct and more peculiar.

"It is to play," said M. Pereire, one of the original founders of the Company, "with respect to the fixed Capital employed in industry, a part analogous to that which a bank of discount fills with respect to its circulating capital. The first duty of our Society," he continues, "is to aid the development of national industry, to facilitate the completion of great enterprises, which without such assistance are perfected with so much difficulty." And in language which we give in the original, because the peculiar tone of the language is most characteristic of the temper in which the Company has been planned, and can scarcely be preserved in a translation, he remarks:

"La pensée du Credit Mobilier est née de l'insuffisance des moyens de Credit offert à l'organisation des grandes affaires du pays, de l'isolement où étaient reduites les forces financières, de l'absence d'un centre assez puissant pour les relier entre elles.

"Elle est née du besoin d'amener sur le marche le concours regulier de capitaux nouveaux destines à aider en developpement du credit public et du credit industriel!

"Elle est née de l'exageration des conditions auxquelles se faisaient les prêts sur fonds publics et des difficultes qui en naissent pour le classement definitif des meilleures valeurs.

"Elle est née encore du besoin de contraliser le mouvement financier et administratif des grandes Compagnies et notamment des compagnies de chemins de fer, d'utiliser ainsi, au plus grand avantage de toutes, les capitaux dont chacune dispose successivement, de maniere a menager les ressources communes, aussi bien au profit des Compagnies qu'à celui de leurs nombreux actionnaires.

"Elle est née enfin de la necessite d'introduire dans la circulation un nouvel agent, une nouvelle monnaie fiduciaire, portant avec elle son interet de chaque jour, et faisant fructifier les epargnes les plus humbles, aussi bien que les capitaux les plus considerables.

"Créer une telle institution, c'était donner à l'industrie et au credit public le plus puissant encouragement, c'était mettre à leur disposition l'instrument le plus propre à leur, fournir à bon marche les capitaux necessaires à leur developpement."

The simple statement of this rather enthusiastic language is, that the Credit Mobilier is to employ its funds in taking shares in Companies whose public objects are important; and that it is to obtain such funds by the issue of drafts and debentures, some of which may pass as currency. As will be evident from the remarks which we have cited from the address of Pereire, the promoters of the undertaking claim to have a public object, and distinctly undertake to confer a great benefit on the French nation, as well as to obtain a profit for themselves.

The opponents of the Company, however, contest the truth of these professions. They say that its promoters do not really care about the completion of great national undertakings; that they are wholly uninterested about the actual construction of railways or canals; that it is only intended that the Company should buy and sell shares for a profit: that the object of

those who organized it is a selfish one; in a word that the sole intention is to speculate in the share market.

Particular circumstances, attaching to the politics of the moment, have given to the controversy between the partisans of this company an unusual interest. The government of Louis Napoleon has been compelled to ally itself rather closely with wealth, and especially with newly-made commercial wealth. The single defence of the coup d'état was the necessity of preserving industry and credit from the attacks of multitudes, who, either from bad theories or bad motives, were anxious for a new distribution of property. The trading class, who live by their industry and their credit, were influenced by this argument, and leaned towards the new government. The classes connected with the former governments of France were naturally disinclined to it. The legitimist noblesse could not approve the revival of the Bonapartist dynasty; the literary and oratorical statesmen of the Orléanist monarchy could find no place for their characteristic abilities in a government which enforced a silence on parliamentary eloquence, and on newspaper eloquence, which did not wish to be supported by abstract speculation, which only valued administrative ability. These are the natural results of human nature. It is, perhaps, equally so that the class of mercantile men who would most rally round a court, would not be the highest class. A close proximity to a gorgeous gaiety, does not suit a sober and stable industry. The eager speculator who is in haste to be rich, in order that he may spend his riches, will seek the scenes of expenditure the moment he is thought to have riches. From causes such as these, the imperial government of France has been obliged to surround itself with a certain class of speculators rarely found in palaces, without a greater check from men of higher cultivation, and more stable opulence. It has been contended that the *Credit Mobilier*, which has been avowedly patronized by the imperial government, is in reality a speculation of these courtiers. "I do not know," said M. Berryer, in an action brought by a M. Goupo against the Company, "if, since 1828, M. Goupo has frequented the Bourse; but suppose he has, who is it that reproaches him with it? La Société de *Credit Mobilier*; that is to say, the greatest gambling-house which the world has ever seen. We must not be misled by words. These are magnificent ones, I know: the protection of industry, the enfranchisement of the national credit, the development of private credit, the consolidation of all commercial stocks,—a dream. All that is the surface: they have given gambling a new name; they call it in their reports the industry of credit. The industry of credit! What is that? These twenty-eight millions of profit, how have they been produced? They are not due to the prosperity of the enterprises in which the *Credit Mobilier* has taken a share, and to whose aid it has brought its great influence. No; they are the realizations which represent the difference between the price at which they sell, and the price at which they buy. It is gambling which has produced them. You are, then," he tells the Company, "an institution of public utility; you have limited liability, and you play; you are irresponsible, and you gamble; you are a bank of play, which sees the cards," &c., &c. In order to test the accuracy of these two conflicting views, we must refer to the statutes of the *Credit Mobilier*, which embody its design, and the accounts which record its history. The preamble to its statutes states that its object is to "aid the progress of public works, and to consolidate

into a common stock the shares and bonds of trading companies" (de favoriser le developpement de l'industrie des travaux publics et d'opérer par voie de consolidation en un fonds commun, la conversion des titres particuliers d'entreprises diverses). The statutes specify that the Company is to be one of limited liability, with shares of £20 each (made out to bearer, and not the holders by name), and that its capital is to be £2,400,000. The detail of its operations is to be as follows:—

"1. To subscribe or to acquire public funds or stocks; and also shares or bonds in various industrial enterprises, constituted on the principle of limited liability; particularly in railways, canals, mines, and other public works founded or to be founded.

"2. To issue, to the extent of a sum equal to the sum employed for purposes of the subscriptions and purchasers aforesaid, the separate obligations of the society itself.

"3. To sell, or give as security for advances, all effects, shares, and obligations acquired or held by the society; and to exchange such effects, shares, and obligations against other values.

"4. To underwrite all loans, to undertake and realize them; also to undertake and realize all enterprises for public works.

"5. To lend on public securities, and on the deposit of shares and bonds, and to open credits, on account current, on the deposit of different kinds of value.

"6. To receive money on account current.

"7. To undertake all kinds of collections for companies, as aforesaid; to pay their interest and dividend warrants; and generally to undertake all business relating to such companies.

"8. To open a bank of deposit for all the securities issued by the companies aforesaid. All other operations are interdicted.

"9. It is expressly understood that the society shall never undertake sales à découvert [that is, sales of stock, &c., merely for the account day or settlement], nor purchases à primes [that is, purchases which may be annulled by the payment of a mere fine or option].

"10. After the complete issue of the Joint Stock capital of the society, the obligations created by the society may attain a sum equal to ten times the said Joint Stock capital [that is, to $(10 \times 2,400,000)$ £24,000,000].

"11. The accumulated amount of the sums received on account current, and the obligations of the society created, payable at less than one year's date or sight, shall not exceed twice the amount of the paid-up capital [that is, shall not exceed $(2 \times 2,400,000)$ £4,800,000]."

(This translation of the statutes, which seems to us quite accurate, is taken from Tooke's History of Prices, vol. vi., p. 105.)

The government of the Company is vested in a Board of fifteen Directors, elected by the shareholders, of which three go out annually, but are re-eligible. The Board is bound to elect a President and two Vice-Presidents every year, who are likewise re-eligible, and to nominate a Committee of Management of five of its members, who are to regulate the detail of its affairs. The general meetings of the society are to be annual, but the Directors have power to summon special meetings.

At each general meeting an exact account of the financial state of the Company is to be presented to the shareholders, and every six months such an account is to be laid before the minister of the interior, the head of the

police, and several other public departments; and the minister of finance is to be at liberty to demand a statement in full detail of its intermediate operations whenever he pleases. No particular form of periodical accounts is prescribed; but by the seventh section of the statutes which regulates the appropriation of the profit, five per cent. on the capital is to be first distributed to the shareholders by way of interest on such capital; five per cent. is then to be added to the reserve fund, and the remainder is to be divided between the Directors and shareholders, in the proportion of one tenth to the former, and nine tenths to the latter,—the Directors being, of course, entitled to receive their quota as shareholders in addition to the one tenth set apart for them by way of remuneration.

Of the annual accounts of the Company, four have been published. The two first it will not be necessary to give in detail, but we shall most easily obtain a clear view of the nature of the Company by the following comparison of the two last. The following were the liabilities of the establishment on the 31st December, 1855, and 31st December, 1856 :

	<i>Dec. 31, 1855.</i>	<i>Dec. 31, 1856.</i>
Capital.....	£2,400,000	2,400,000
Deposits, current accounts.....	4,127,172	4,078,387
Bills payable, and sundries.....	34,576	13,046
Reserve fund.....	67,844	80,000
Total amount of profit in each year after carrying the proper sum to the reserve fund.....	1,073,116	601,235
	<u>£7,702,708</u>	<u>£7,172,668</u>

The assets of the Company were :

	<i>Dec. 31, 1855.</i>	<i>Dec. 31, 1856.</i>
Rents.....	£1,602,770	364,020
Debentures.....	1,313,784	2,123,231
Railways and other shares.....	2,377,364	1,195,343
	<u>£5,293,918</u>	
Deduct for calls not made to 21st Dec., 1855,	1,246,668	
	<u>£4,047,250</u>	<u>£3,682,594</u>
Investments for fixed periods in Treasury bonds, continuations and advances on shares, debentures, &c.....	3,373,016	2,031,201
Premises and furniture.....	43,288	53,456
Balance on hand, and dividends to be received on the 31st December last.....	239,254	285,417
	<u>£7,702,808</u>	<u>£6,052,668</u>

And its profit and loss account :

	<i>Dec. 31, 1855.</i>	<i>Dec. 31, 1856.</i>
Profit on investments.....	£1,042,675	£457,463
Income from do., and interest on loans.....	232,155	231,193
	<u>£1,274,830</u>	<u>£688,656</u>
Less expenses.....	71,100	37,045
	<u>£1,203,730</u>	<u>£651,611</u>
	80,450	41,612
	<u>£1,123,280</u>	<u>£609,999</u>

NOTE.—The difference between the expenses in the two years is principally owing to a sum of £41,000 for interest on deposits, which, owing to a change in the mode of making up the account, does not appear in the second year. The depreciation of securities, &c., included in the first year some miscellaneous losses, to which there is nothing similar in the second year. The difference between the amount of profit here given, and that shown in the account of liabilities, has been carried to the reserve fund.

From these data we can at once determine the character of the bank. About half the funds at present at its disposal were, at the last date of which we have any information, invested in the purchase of shares, debentures, and similar securities of fluctuating value; and it is from augmentations in the value of such property that its profits are principally derived. Of the large profit of 1855, more than £1,000,000 was so derived; and the remarkable diminution of entire income in the next year shows that the business of the Company, like every other depending on purchase or sale, is very profitable in a rising market, and not by any means equally so in a falling market (like that of the latter months of 1856). The amount of profit so obtained would be deemed by English bankers very great. In 1855, 44 per cent. was realized on the capital; in 1856, 25 per cent., besides augmentations of the reserve fund in each year. Some of the large joint-stock banks in London have, it is true, on very rare occasions, made as much, or nearly as much, as 25 per cent. on their respective capitals; but then those capitals are, in proportion to their liabilities, comparatively small. The capital of the Credit Mobilier is more than one-half its liabilities to the public; the capitals of the London and Westminster Bank, the London Joint Stock Bank, and the Union Bank, vary from a fourteenth to an eighteenth of their respective liabilities. A comparison of the actual amounts of profit cannot place the contrast in a more remarkable light. The London and Westminster Bank have made of 15 millions of money in the peculiarly profitable half year ending midsummer, 1856, £104,000, which is at the rate of £208,000 per annum; the London Joint-Stock Bank, of 11 millions and a half £77,000 in the same half year, which is at the rate of £104,000; the Union, of about the same amount of money, have made £156,000. As will be seen by the above accounts, the income yielded by the Credit Mobilier was, in 1855, five times, and in 1856 three times as great as the highest of these, with only seven millions of money to employ profitably. This amount of profit would generally appear to English bankers dangerously large, and their apprehensions would not be removed by the mode in which it is made. They would consider that it was dangerous to employ the money of other persons placed with them for brief periods in the purchase of the shares and bonds of miscellaneous Companies, which are not readily saleable in times of difficulty, and are peculiarly fluctuating in price. The published documents and accounts of the Credit Mobilier afford no satisfactory reply to these suspicions. They tell us more than once that the money which they hold cannot be hastily (brusquement) withdrawn from them; and likewise that in its origin the Company only professed to receive the deposits of Companies having the privilege of limited liability, with which it could probably make special agreements as to the time at which these deposits should be repaid; but the same documents also inform us that this intention has been departed from—that other money has been received, and they omit to inform us on

what terms. It is much to be regretted that these authoritative expositions—which, like most of the reports of French financiers, are exceedingly elaborate, and, according to English notions, wordy—should have the possibility of a doubt on a point so essential, and expose the Company to the discrediting suspicion of employing in investments that cannot be immediately realized, money which may at once be withdrawn. We have obtained, however, from what we believe to be very reliable authority in Paris, the following particulars, which very much tend to diminish the importance which we should otherwise attach to this consideration: we learn, first, that the Credit Mobilier holds deposits, repayable either at call, or at five, ten, or thirty days' notice; and that the term of notice is determined by the amount of the deposit; the amount at call being limited in each case to sums not exceeding £1,000. Secondly, that though these are the terms of notice, yet in practice the Company has not availed itself of its right to require such notice. Thirdly, that the deposits consist chiefly of moneys belonging to railway Companies, whose works are in progress, and that, as in every case at least one of the directors of these railway Companies belongs to the Council of the Credit Mobilier, the latter has always in practice notice of the time when the money will be asked for. Fourthly, that the deposits, other than the moneys of such railway Companies, are only from £50,000 to £60,000. Fifthly, that a uniform rate of interest at $2\frac{1}{2}$ per cent. is given by the Credit Mobilier for all such moneys. If these details are, as we believe them to be, exact, the money held by the Credit Mobilier is money over which they have a far greater control than other bankers have over the money which is left with them. The connection of the Credit Mobilier with the Companies who deposit such money is, in all likelihood, so close as practically to allay all apprehension of these deposits being demanded from feelings of apprehension; and the time at which they will be required for the works of the Company to whom they belong must be known with great exactness. The Credit Mobilier is in the position of a banker who receives large deposits from his personal friends; so long as they are his friends, he can be sure of their not being very hastily withdrawn from him. It is evident, however, that the scale of the operations of the Credit Mobilier must be correspondingly restricted. There cannot be any very great amount of money in a position so peculiar as these deposits. As a general remark, no banker can have any very large number of personal friends that leave money with him; similarly, the amount of money in the hands of public Companies very closely connected with the Credit Mobilier must be of an amount strictly limited. Accordingly, as will be seen from the above accounts, the deposits did not increase during the year 1856, when the Company was in the height of prosperity, its shares very high in price, and its dividends more than 40 per cent.; and we can hardly expect that they will increase hereafter, when circumstances are less favorable.

So far, therefore, as the employment of the funds left in deposit with the Credit Mobilier is concerned, we have no reason to believe that it can accomplish the magnificent designs with which it was founded. The funds derived from that source are, and must continue, too small to revolutionize industry, or to consolidate in one common stock the shares of different companies. The original design, as appears from the above citation from the statutes, was, that the Credit Mobilier should derive additional funds by the

issue of bonds, the smaller of which should pass as currency, and the larger be held by capitalists who were desirous of investing their money at a fixed rate of interest. Neither of these operations has as yet been found practicable. The imperial government has not permitted the issue of any such bonds, and the resources of the Company have been, therefore, less than they were expected to be. We may, however, much question whether, even without the prohibition of the government, the scheme would have realized the expectations of its framers. The smaller drafts which were to be issued as currency would have been inferior in a material point to the notes of the Bank of France, which now constitute the French circulation of paper. The tendency of commercial improvement is to confine the function of credit-currency more and more to documents payable on demand. There used to be a very extensive circulation of bills in Lancashire, but it has yielded gradually to the superior convenience of the Bank of England note. *Cæteris paribus*, it is obvious that a note payable on demand is better adapted for circulation among many persons than one payable at a distant date. Each holder of the former feels that he can test its value whenever he pleases; holders of the latter cannot do so until the day on which it becomes due arrive. There are, we believe, legal difficulties in France, as well as in England, attaching to overdue negotiable instruments which render all notes and bills payable at a fixed time inapplicable as currency after that time. We cannot, therefore, anticipate that the drafts of the Credit Mobilier will be able to compete as currency with the notes of the Bank of France, which have the additional advantage of being now in use. If, however, the Credit Mobilier could succeed in maintaining its drafts in circulation, we should see no objection to its so doing. They would have the ordinary advantage of paper money; if they displaced other forms of circulating credit, we may assume that the public, in giving that preference, was not acting without some reason. If a portion of metallic money were displaced, the French nation would to that extent benefit by an economy of capital. While, therefore, we cannot expect, we do not dread, that the Credit Mobilier will circulate its drafts as a currency. A different objection applies to the bonds which were to be purchased as fixed investment by capitalists, like railway debentures, and the bonds of the Credit Foncier. The first requisite of such bonds is a specific security. That of railway debentures is the revenue of a line of railway of which accounts are constantly published; and that of the Credit Foncier is the landed property on which the funds of the society are advanced. The property on which the bondholder is to rely, is in both cases very evident to him. This is not so with the property of the Credit Mobilier. We do not in the least know the contents of its *portefeuille*,—which shares it holds and which it has disposed of, and which it has never purchased. By the distinctive design of the Credit Mobilier, the property belonging to it cannot be so stable in value, or so generally intelligible in character, as the property of the Credit Foncier. No shares in bonds or movable property of a country can ever be so fixed in price, or so well understood by the mass of men, as the acreage of the country in which they live. It is possible that a long course of good management and success may enable the Credit Mobilier to raise some money on the security of shares and bonds whose names are not known to the public; but the progress of such an operation must be slow, and its range very limited.

We cannot therefore anticipate for the Credit Mobilier the enormous and beneficial influence which its promoters announced and perhaps anticipated that it would have. This also appears to be the opinion of the public. The shares, which when £10 only was paid on them, were worth £70, are now, with £20 paid, worth less than £30; and their price has been for some months past (we write on the 20th of December, 1857), steadily dropping. At the same time, however, we cannot expect from it the great evils which its extreme opponents have predicted. The limitation of its means tells on one side of the argument as well as on the other. It may seem, indeed, that the £4,000,000 of deposits held by the Company are a considerable sum for Bourse operations, and would be adequate to the requirements of a first-rate speculator. But the same circumstance which gives the Company a peculiar control over these deposits, likewise controls the Company, we have no doubt, in their employment. The railway Companies who leave their money with the Credit Mobilier expect the latter to take shares.

The funds of the Bank are doubtless largely invested in the undertakings carried on by its depositors; and it is only the amount not so invested which can remain applicable to common speculation. The denunciations of M. Benyer are therefore subject to important deductions, as well as the eulogium of M. Perreire. If we regard the Company as a great railway bank, holding railway moneys on peculiar terms, and investing much of its funds in the purchase of railway property, we obtain a view of its operations too distinct to warrant extreme apprehensions or great hope. It is mainly from political considerations that a bank of such limited resources has obtained a European reputation. (For further information as to the Credit Mobilier, we may refer to two very able articles by M. Facade, in the *Revue des Deux Mondes*, for 15th of May and 1st of June, 1856; and Tooke's *History of Prices*, vol. vi., pp. 104-130. For the ultimate data for these accounts of the Company, as well as of our own, the reader may consult its published reports and accounts.)

THE CREDIT MOBILIER.

From the London Times, April, 1858.

OF all the financial documents which have recently been published to the world, not one is more curious or interesting than the last Annual Report of the Administrators of the Credit Mobilier Society of France. The English public have never been either dazzled or deluded by the splendor of the results which appear to have been achieved in former years by this great speculative Company. It has been found impossible to eradicate the impression that success in an enterprise which partakes so largely of the gambling character, cannot possibly be permanent. The speculator who "operates for the rise" may have a turn of luck, and may realize enormous profits; but if he perseveres, it is almost certain that he must, at some period or other, be caught, and subjected to severe losses. Markets cannot be always rising; and when the limit is reached, the subsequent collapse is frequently in proportion to the previous buoyancy. Nothing can be more

precarious than the gains of the habitual speculator, yet he has a manifest and great advantage over a society constituted like the Credit Mobilier; for he may operate in either an upward or downward direction, or may stand altogether aloof from the market if he sees no prospect of making a successful *coup*. The great French gambling establishment, on the contrary, can only make profits when buoyancy prevails, and, lying under the absolute necessity of using the large funds with which it is intrusted, it is certain to suffer severely in times of depression, if only from the depreciation of the mass of securities which it holds. For the year 1855, the Credit Mobilier Society showed profits at the rate of some 40 per cent. per annum—a measure of success which went far towards plunging the French nation into a fit of financial delirium. The greater part of the Continent had likewise caught the infection, and has only been restored to a state of sanity by the sharpest and most bitter experience. Whilst nearly every State in Europe rushed to get rich by setting up a Credit Mobilier Society of its own, England, though somewhat excitedly watching the brilliant feats of the new school of finance, had the good sense to form a more correct estimate of the entire system. Two years have sufficed to cripple most of these undertakings, to deprive even their great prototype, the Paris society, of much of its mischievous influence, and to open the eyes of the impartial portion of the French nation to the demoralizing tendency and material peril of the course lately pursued. During the year 1856, speculation had to some extent exhausted its energies, and the dividend of the Credit Mobilier Society fell to 25 per cent. During 1857, the inevitable collapse was experienced, and the result is, that, at the annual general meeting of the Society, which has been just held at Paris, no dividend whatever was forthcoming.

Not to strain the facts unfairly, it is proper to explain that, in accordance with a practice pursued by many French companies, a payment at the rate of 5 per cent. per annum, absorbing 120,000*l.*, has already been made upon the shares of the society for the past year. The accounts, as made up to the 31st of December last—the termination of its financial year—show, in addition, a net balance of 165,000*l.*, the distribution of which would undoubtedly have been authorized but for the serious depreciation which the Company's investments have undergone during the last four months. Without stopping to inquire how far the Report is correct in exclusively attributing this depreciation to the "abominable attempt of the 14th of January last," we may point out that the Company could not, without an outrageous violation of all financial principles, distribute as dividend up to the 31st December, money which it has since lost. The Directors are consequently obliged to put the best face upon the matter, and endeavor to comfort the shareholders with a hope that prices will rise, in which case the dividends for the current year will be proportionately increased. We do not know whether any shareholder at the meeting put the somewhat pertinent query: "But what if prices fall?" We do recollect, however, that the Report for the previous year wound up with the expression of a precisely similar hope, since signally falsified. Indeed, at the meeting held on the 28th of April, 1857, it was expressly stated that large profits, applicable solely to the dividend for 1857, had already been realized.

To a Company formed upon so unsubstantial and speculative a basis the virtual suspension of dividend is tantamount to a great loss of the commodity by which it principally lives—credit. And there are not wanting symp-

toms, even in the Company's own accounts, that its palmiest days are past. During the years 1855 and 1856 the "current accounts," or funds intrusted to it by the public, exceed four millions sterling. In the accounts now submitted the amount has fallen to £2,740,000. Considering that the Company holds, on its own account, stock and shares to the amount of £3,340,000, and that, in addition, it has lent two millions sterling upon similar securities deposited by other parties (chiefly, in all likelihood, by the Companies, in various stages of progress, which it has taken under its patronage), it is easy to understand how completely its profits must depend upon the mere fluctuations of the Bourse. And yet, whilst the situation of the Company is thus critical—whilst, in reality, the question is not whether it has made any profits, but whether its capital is safe—nothing can exceed the loftiness of tone adopted by its administrators. In the Report for 1856 the Society defined its mission to be that of a "vigilant sentinel" watching over the best interests of the country, and ever ready to combat influences antagonistic to the "developement of credit," and declared that its place was "at the head of the movement" of financial progress. In its Report for 1857 it proudly announces that it has adhered strictly to its principle of "never abandoning the post which events may assign to it," and asserts that, whilst the Banks of England and of France were compelled by the late crisis seriously to restrict accommodation to their customers, the Credit Mobilier has never ceased to extend substantial assistance to the undertakings in the success of which its "moral responsibility" is involved.

Glancing at the multifarious operations in which the society is engaged at home and abroad, (in the multiplicity of which there seems to be displayed a grand indifference to the homely warning against having "too many irons in the fire,") the Report soars into a strain of magniloquence to which nothing but a literal translation can render justice. "It is," it remarks, "by this vast aggregate of works carried on with calmness and perseverance through crises sometimes political and alimentary, at other times commercial and financial, which have succeeded each other since its establishment, that the General Society of Credit Mobilier has made its action felt, has marked its place, traced its path, indicated its aim, and replied by facts to the declamation of which it has been the object." We have seen nothing that comes near to this magnificent peroration but *Douster-riivel's* farewell harangue to *Sir Arthur Wardour*. But there is an old saying that "Fine words butter no parsnips;" and ample evidence is furnished that the glory of the Credit Mobilier is departing. To speak frankly, we are glad of it, for the success of so speculative an undertaking might be dangerous to the financial tranquillity of Europe.

GAS—ITS HISTORY AND STATISTICS.

From the Cyclopædia of Commerce, 1858.

THIS inflammable aeriform fluid was first evolved from coal by Dr. Clayton, in 1736–1739.—*Phil. Trans.* According to Haydn's Dictionary of Dates, its application to the purposes of illumination was first tried by Mr. Murdoch, in Cornwall, in 1792. The first display of gas-lights was made at Boulton & Watt's foundery, in Birmingham, on the occasion of the rejoicings for peace in 1802. Gas was permanently used to the exclusion of lamps and candles at the cotton mills of Phillips & Lee, Manchester, where 1,000 burners were lighted, 1805. Gas-lights were first introduced in London, at Golden-lane, August 16, 1807. They were used in lighting Pall Mall, in 1809; and were general through London in 1814. They were first used in Dublin in 1816, and the streets were generally lighted in October, 1825. The gas-pipes in and round London extend to 1,100 miles.

Every one must have remarked that most species of coal, when ignited, give out large quantities of gas, which burns with much brilliancy, yielding a great quantity of light as well as of heat. Dr. Clayton seems to have been the first who attempted, about 1736–1739, to apply this gas to the purposes of artificial illumination; but his experiments were upon a very limited scale, and no further attention was paid to the subject till more than half a century afterward. At length, however, Mr. Murdoch, of Soho, instituted a series of judicious experiments on the extrication of gas from coal; and, by his ingenuity and sagacity, succeeded in establishing one of the most capital improvements ever made in the arts. Mr. Murdoch found that the gas might be collected in reservoirs, purified, conveyed by pipes to a great distance from the furnace where it was generated; and that it affords, by its slow combustion, when allowed to escape through small orifices, a beautiful and steady light. This great discovery, which places Mr. Murdoch in the first rank among the benefactors of mankind, was first brought into practice, at Redruth, in Cornwall. In 1802, it was applied to light Mr. Murdoch's manufactory at Soho; in 1805, it was adopted by Messrs. Phillips and Lee, of Manchester, in the lighting of their great cotton mill; and is now employed in the lighting of the streets, theatres, and other public buildings, factories, &c., of *all* the considerable towns of the empire, and also in most considerable towns of Europe and America.

Gas light is indebted, for its rapid diffusion, not more to its peculiar softness, clearness, and unvarying intensity, than to its comparative cheapness. According to Dr. Thomson (*Encyc. Brit.*, art. GAS LIGHTS), if we value the quantity of light given by 1 lb. of tallow in candles at 1s., an equal quantity of light from coal gas will not cost more than 2½d., being less than a *fourth part* of the cost of the former. Oil and other substances have been used in furnishing gas for the purposes of illumination, but none of them has answered so well as coal. Most of the oil gas establishments have been abandoned. The construction of gas works on a large scale, and the carrying of pipes through the streets and into houses, &c., is very extensive, and requires a large outlay of capital. Hence most of the gas-

lights in the different towns are supplied by joint-stock companies. Many of them have turned out to be very profitable concerns.

The first attempt to supply cities in the United States with gas was made at Baltimore in 1821, and at New York in 1823. Both of these attempts were unsuccessful. The New York Gas-Light Company, with a capital of \$1,000,000, was incorporated March 26th, 1823. It was re-organized in 1827, and then commenced a successful business. The Manhattan Gas-Light Company was incorporated with a capital of \$2,000,000, February 26th, 1830. Upon these two companies the city of New York is now entirely dependent for gas. The former company supplies all that portion of the city which is below Grand street, and the latter company all that portion which is between Grand street and Seventy-Ninth street. The New York Gas Light Company has 130 miles of pipes laid through the streets of the city, ranging from 4 to 18 inches in diameter. In 1855 this company made 300,000,000 cubic feet of gas, consuming about 45,000 tons of coal. It furnished gas to 3,200 street lamps, and to 9,000 private consumers.

The Manhattan Gas-Light Company has 200 miles of pipe laid through the streets of the city, ranging from 3 to 20 inches in diameter. In 1855 this company made 470,000,000 cubic feet of gas. It lighted 7,148 street lamps, and furnished gas to 17,300 private consumers. These companies jointly light and keep in order for the city about 10,150 street lamps, for which they are paid \$25 per annum for each lamp. This payment nets the companies, according to their estimate, only \$1 50 per 1,000 cubic feet of gas consumed in the lamps, which is just one-half the sum charged to their private customers for gas, but is doubtless profitable even at that low rate. The gas is manufactured from rich bituminous coals, such as Cannel coal, Newcastle coal, and the Albert coal of Nova Scotia. A chaldron of Newcastle coal, weighing 27 cwt., will yield

Gas.....	8,650 cubic feet.
Coke.....	14 cwt.
Ammoniacal liquor.....	12½ gallons,
Thick tar.....	12 "

A chaldron of Cannel coal will yield an average of 12,000 cubic feet of gas. The gas coal used in New York costs about \$10 per chaldron. The coke, or shell of the coal after the gas is extracted, is worth about \$4 per chaldron, and makes a very pleasant fire in a grate. The bituminous coal is thrown into a hot iron cylinder, or retort, as it is called, whose mouth is closed and sealed tight with soft clay. The vapor of the coal, distilling in the retort, passes through a tube, by which it escapes into a series of vessels called the condenser, where it cools and deposits all its tar and other condensible impurities. Thence it passes through another series of vessels, called the purifier, containing quicklime, of the consistency of cream, which cleanses the vapor of its sulphurous intermixtures. From the lime the purified vapor of the coal, or in other words, the gas, now flows into the gasometer, and is ready for use. From the gasometer it is driven, through main and service pipes, into the consumers' burners.

The machinery of all gas manufactories is the same in principle, and seems now to be almost perfect. The chief improvements made lately in the machinery consist in the manner of applying to the gasometer the pressure which regulates the force of the gas.

The following Tabular View presents the Comparative Cost or Price of Gas at several leading Cities of the United States, showing also the Year of Incorporation of the Company, Date when Gas was first used, Cost of Coal, and Ordinary Annual Consumption, &c.

PLACE.	Gas Company Incorporated.	Gas first used.	Capital of Company.	Price of Gas per 1,000 Cubic Feet, 1857.	Cost of Coal used per Ton.	Annual Consumption of Gas.	Miles of Mains Laid.	Description of Coal used.
Detroit, Mich.....	Year. 1849	Year. 1851	\$ 222,000	\$ c. 3 50	\$ c. 5 25	Fct. 19,118,000	18	Mineral Ridge, Brier Hill, &c.
Wheeling, Va.....	1849	1850	715,000	3 00	1 40	8,800,000	7 33	Soft bituminous coal.
Cincinnati, Ohio.....	1837	1843	800,000	2 50	4 25	92,000,000	49	Youghiogheny, or Pittsburgh coal.
Louisville, Ky.....	1839	1840	461,000	3 00	4 35	33,750,000	30	Kanawha cannel and Youghiogheny.
Cleveland, Ohio.....	1846	1849	100,000	3 00	4 50	20,000,000	14 50	Pittsburg coal.
Albany, N. Y.....	1840	1845	300,000	3 00	8 75 a 11 20	40,000,000	20	Newcastle coal, \$8 75. Cannel, \$11 20.
Rochester, N. Y.....	1848	1848	150,000	3 15	5 83	27,000,000	17 25	Anthracite coal.
St. Louis, Mo.....	1839	1847	600,000	3 50	7 50	63,500,000	45	Pittsburg coal only.
Philadelphia, Penn.....	1835	1836	2,600,000	2 13	6 50	431,000,000	214	Pittsburg and Virginia coals.
Washington City.....	1846	1848	424,000	3 50	6 00	50,000,000	30	English Cannel and Virginia Clover Hill.
New York Gas Company.....	1823	1824	750,000	2 50	8 00 a 10 00	430,000,000	125	English Cannel and Newcastle principally, costing \$8 to \$10 per ton.
Manhattan Co., N. Y.....	1830	1835	2,770,000	2 50	8 00 a 10 00	650,000,000	200	English Cannel and Newcastle.
Boston, Mass.....	1826	....	1,000,000	2 50	6 00 to 9 00 ch.	190,000,000	70	Pictou coal, \$6. English Cannel, \$16.50 per chaldron of 2,900 pounds.

A very careful and accurate analysis and photometric examination of wood gas have been made by two analytical chemists (Dr. Wolcott Gibbs, of New York, and Dr. F. A. Genth, of Philadelphia), whose reports of their chemical results furnish a highly satisfactory explanation of certain curious phenomena that accompany the combustion of this gas.

They examined two varieties of gas, one made from oak, the other from small second-growth oak, with the following results:

		Gas from I.	
Specific gravity.....		0.663	
COMPOSITION.			
Hydrogen	32.71		
Light carbonic hydrogen	21.50		
Olef. gas and hydro-carbon vapors.	10.57		
Carbonic oxide	27.11		
Carbonic acid.....	4.90		
Oxygen.....	0.66	No	
Nitrogen.....	2.55	3.3	
	100.00	100.000	

These gases were collected at the Ninth Ward Works, and taken New York for analysis. Their illuminating power was tested, and found to be over 26 candles for a five-foot burner.

Mr. Murdoch in 1797 exhibited publicly the results of his more matured plans for the preparation of coal gas. The following year (being then connected with Messrs. Boulton and Watt's engineering workshop) he constructed an apparatus at the Soho foundry for lighting that establishment with suitable arrangements for the purification of the gas; and these experiments, Dr. Henry states, "were continued with occasional interruption, until the epoch of the peace of 1802, when the illumination of the Soho manufactory afforded an opportunity of making a public display of the new lights; and they were made to constitute a principal feature in that exhibition." In 1804-5 Mr. Murdoch had an opportunity of carrying his plans into effect on a still larger scale, by means of the apparatus erected under his superintendence in the extensive cotton mills of Messrs. Philips & Son of Manchester.

It has been alleged that gas-lights were used in France before they were known in England; but as the earliest exhibition of these lights, on which the claim of priority of discovery is founded, took place at Paris in 1802, it is evident, from the foregoing statements, that the exhibition alluded to was ten years subsequent to the first experiment of Mr. Murdoch on the subject.

The practicability of lighting by means of coal gas having been demonstrated by Mr. Murdoch, a number of scientific men applied their talents to the further development of the art. Dr. Henry, the celebrated chemist, lectured on the subject in 1804 and 1805, and furnished many hints for the improvement of the manufacture. Mr. Clegg, an engineer in the employment of Boulton & Watt, was a worthy successor of Murdoch, and for many years was the most eminent gas engineer of England. A good deal of the machinery of the gas-house in its present form was contrived by Mr. Clegg, and to him, also, we are indebted for the ingenious wet gas-meter.

In 1813 Westminster Bridge was first lighted with gas, and in the following year the streets of Westminster were thus lighted; and in 1816 gas became common in London. So rapid was the progress of this new mode of illumination, that in the course of a few years after it was first introduced, it was adopted by all the principal towns in the kingdom, for lighting streets as well as shops and public edifices. In private houses it found its way more slowly, partly from an apprehension, not entirely groundless, of the danger attending the use of it, and partly from the annoyance which was experienced in many cases through the careless and imperfect manner in which the service-pipes were at first fitted up. These inconveniences have been in a great measure, if not wholly, removed by a more enlarged knowledge of the management of gas; and at present there are few private houses in large towns which are not either partially or entirely lighted up by it. As the demand for gas increased, various improvements were from time to time introduced, both in the mechanical arrangements and in the chemical operations of the manufacture. The rapid increase in the population of the metropolis, and of all large towns, has naturally led to an increased consumption of gas; and the application of gas to the purposes of warming and cooking has also further increased the demand for it. Hence it has been not only necessary that new gas-works should be erected for the supply of new districts, but that the resources of old works should be enlarged. It is only a few years ago that a gas-holder capable of storing 250,000 cubic feet of gas was regarded as of enormous size; at the present time gas-holders are made of double that capacity, and we occasionally hear of them of the capacity of upward of a million cubic feet. There is one such at Philadelphia; it is 140 feet in diameter and 70 feet in height. Nor will such dimensions as these be regarded as superfluous, when it is stated that some of the large metropolitan works send out each from a million to a million and a half cubic feet of gas in one night in mid-winter.

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NEW LAWS OF THE STATE OF NEW YORK.

- I.—An Act relative to Notaries Public, in the City and County of New York. (Passed March 25th, 1858.)

The people of the State of New York, represented in Senate and Assembly, do enact as follows:—

1. The Notaries Public in and for the City and County of New York, whose commissions have not expired, and who have qualified according to law, are hereby authorized to continue in the discharge of the duties of their respective offices until the expiration of their commissions; and the official acts of the several notaries shall have the same force and effect, as if no irregularity had existed in their several appointments.

2. The Governor may appoint, by and with the advice and consent of the Senate, as many Notaries Public in and for the City and County of New York, as he may deem necessary. provided the number in commission at any one time shall not exceed four hundred.

3. All Acts or parts of Acts inconsistent with this Act are hereby repealed.

4. This Act shall take effect immediately.

II.—An Act to restrain Banks, Banking Institutions, and Individual Bankers, from assuming the title of Savings Banks, or receiving deposits as such. (Passed April 9th, 1858.)

Section 1. It shall not be lawful for any Bank, Banking Association or Individual Banker, authorized to issue circulating notes, by the laws of this State, established in any city or village where a chartered Savings Bank is located, and transacting business, to advertise or put forth a sign as a Savings Bank, or in any way to solicit or receive deposits as a Savings Bank, and any Bank, Banking Association, or Individual Banker, which shall offend against these provisions, shall forfeit and pay for every such offence, the sum of one hundred dollars, for every day such offence shall be continued, to be sued for and recovered in the name of the people of this State, by the District Attorneys of the several counties, in any court having cognizance thereof, for the use of the poor, chargeable to said county, in which such offence shall be committed.

2. This Act shall take effect on the first day of May next.

III.—An Act to amend an Act entitled "An Act for the Benefit of Married Women in Insuring the lives of their Husbands." (Passed April 14th, 1858.)

Section 1. It shall be lawful for any married woman, by herself, and in her name, or in the name of any third person, with his assent, as her Trustee, to cause to be insured for her sole use, the life of her husband, for any definite period, or for the term of his natural life; and in case of her surviving her husband, the sum or net amount of the insurance becoming due, and payable by the terms of the insurance, shall be payable to her, to and for her own use, free from the claims of the representatives of the husband, or of any of his creditors; but such exemption shall not apply where the amount of premium annually paid out of the funds or property of the husband, shall exceed three hundred dollars.

2. In case of the death of the wife before the decease of her husband, the amount of the insurance may be made payable after death to her children for their use, and to their guardian, if under age.

IV. An Act in relation to Savings Banks in the City of Buffalo, and to amend an Act entitled "An Act relative to Savings Banks or Institutions for Savings, in the City and County of New York, and the County of Kings," passed April 15th, 1853. (Passed April 10th, 1858.)

The people of the State of New York, represented in Senate and Assembly, do enact as follows:—

Section 1. The temporary deposits which any Savings Bank or institution for savings, in the City and County of New York, and the County of

Kings, is authorized to make, by the second section of chapter two hundred and fifty seven, of the laws of 1853, shall not exceed in amount twenty per cent. of all the deposits belonging to any such bank or institution for savings; nor shall the deposits of any such bank or institution for savings in any bank of issue, exceed in the aggregate, at one time, the sum of one hundred thousand dollars.

2. It shall be lawful for the Trustees of such Savings Banks or institutions for savings, to pay to their respective Presidents such compensation for their services as shall in the opinion of the said Trustees be reasonable. But no person shall be elected or remain such President whose professional or other engagements shall prevent his regular and faithful attendance to the duties of his office.

3. All Acts or parts of Acts in relation to Savings Banks or institutions for savings, inconsistent with this Act, are hereby repealed.

4. The second section of this Act shall apply to Savings Banks in the City of Buffalo.

5. This Act shall take effect immediately.

V. An Act to amend an Act entitled "An Act to amend the Revised Statutes in relation to Limited Partnerships, passed April 14, 1847." (Passed April 16, 1858.)

Section 1. Section two of the Act entitled "An Act to amend the Revised Statutes in relation to Limited Partnerships, passed April 14, 1857," is hereby amended so as to read as follows:—

2. Section twelve of said article is hereby amended so as to read as follows:—

12. Every alteration which shall be made in the names of the general partners, in the nature of the business, or in the capital or shares thereof contributed, held or owned, or to be contributed, held or owned, by any of the special partners, and the death of any partner, whether general or special, shall be deemed a dissolution of the partnership, unless the articles of partnership shall specify that in such events the partnership shall be continued by the survivors, in which case it may be so continued with the assent of the heirs of the legal representatives of the deceased partner. And every such partnership which shall be carried on after such alteration shall have been made, or such death shall have occurred, shall be deemed a general partnership in respect to all business transacted after such alteration or death, except in the case of a provision in the articles of partnership for the continuance of the business by the survivors as aforesaid, in which case the heirs or legal representatives of the deceased partner may succeed to the partnership rights of such deceased partner, and continue the business the same as if such partner had remained alive; provided, however, that one or more special partner or partners may be added to the partnership upon actually paying in an additional amount of capital, to be agreed upon by the general and special partners, and the alteration of the partnership by such additional special partners, shall not make the partnership general nor alter its name, nor work a dissolution, provided the general partners in the partnership-name shall file an additional certificate with the Clerk, with whom the original certificate may have been filed, verified on oath by one of them, stating the names and residences of such additional special partners, and the amounts respectively contributed to the

common stock by them. And any special partner, or the heirs or legal representatives of any such special partner, deceased, may sell his interest in the partnership without working dissolution thereof, or rendering the partnership general, provided a notice of such sale be filed within ten days thereafter with the Clerk with whom such original certificate of partnership may have been filed, and the purchaser of such interest may thereupon become a special partner, with the same rights as an original special partner.

2. This Act shall take effect immediately.

BANK STATISTICS.

I.—NEW YORK.

We have received from the Bank Comptroller a copy of the quarterly Statements of the Banks of this State, condensed, showing their condition on the 13th day of March last. The arrangement of the present Report is better than that adopted last year, the Statement of the Banks of this city being kept separate from those of the interior. In order to show the aggregate items of the City Banks, as compared with those of the country, we extract the following details:

LIABILITIES.

	<i>N. Y. City.</i>	<i>Country.</i>	<i>Total.</i>
Capital,	\$67,033,695	\$42,554,007	\$109,587,702
Circulation,	6,584,700	16,125,458	22,710,158
Profits,	7,051,828	4,623,278	11,675,106
Due Banks,	23,760,646	4,949,431	28,710,077
Due others,	296,698	554,377	851,075
Due Treasurer N. Y.,	86,819	1,864,331	1,951,150
Deposits,	68,171,425	23,616,303	91,787,728
Miscellaneous,	390,541	1,051,840	1,442,381
Total,	\$173,376,352	\$95,339,025	\$268,715,377

RESOURCES.

Loans,	\$105,467,501	\$56,390,431	\$161,857,932
Overdrafts,	121,350	314,367	433,717
Due from Banks,	3,723,204	9,085,308	12,808,512
Real Estate,	5,675,847	2,006,057	7,681,904
Specie,	33,104,257	1,966,817	35,071,074
Cash items,	14,930,929	1,221,547	16,152,476
Stocks and Promissory Notes,	8,688,406	14,211,271	22,899,677
Bonds and Mortgages,	379,409	8,198,899	8,578,308
Bank Bills,	866,531	838,506	1,705,037
Suspended Bills,	678	8,579	9,257
Expense Account,	423,240	1,099,243	1,522,483
Total,	\$173,376,352	\$95,339,025	\$268,715,377

The value of the Quarterly Statements from the Bank Department

would be much enhanced by the addition of comparative tables showing the progress of the Banking system for a series of years. A few lines devoted to this addendum would save much labor on the part of those who examine the details from time to time, and who have necessarily, otherwise, the labor of preparing such a summary for the public eye.

II.—BANKS OF THE LARGE CITIES.

The changes in the condition of the Banks of our principal cities must always be taken as the best index of the course of trade throughout the country. In this view we give the condition of the Banks of five principal cities, on the first of May and the first of June of this year. The figures being official may be taken as accurately representing the condition of the Banks at these times. The movement for the month, although not large, indicates a favorable reaction in trade; first, by the increase in loans, and secondly, by the absorption of specie by trade. If specie is taken from the Banks for the purpose of export or for hoarding, it is injurious, but if taken to supply the legitimate wants of business, it is a sure index of increased activity in general commercial transactions. That this has been the case during the past month is shown by taking the difference between the exports and the imports of specie, from the loss of specie by the Banks as follows:

Exports of Specie for four weeks of May,.....	\$1,757,600
Imports and arrivals from California in May,.....	3,300,000
	<hr/>
	\$1,542,400

If then we add to this the decrease in the amount of Specie held by the Banks, it will give an approximation to the amount of Specie added to circulation.

The amount of Specie held by the Banks of New York, Philadelphia, Boston, New Orleans and Pittsburg, on the 1st of May, was.....	\$63,419,594
Do., on the 1st of June,.....	59,255,517
	<hr/>
Decrease,.....	4,164,077
Excess of Imports over Exports,.....	1,542,400
	<hr/>
Increased amount in circulation,.....	\$5,706,477

The aggregate condition of the Banks of New York, Philadelphia, Boston, New Orleans and Pittsburg on the first of May and the first of June is shown as follows:

	May 1.	June 1.	Inc. p. c.	Dec. p. c.
Loans,	\$207,329,518	\$212,838,642	.036	.....
Specie,	63,419,594	59,255,517	.....	..069
Circulation,	24,970,216	24,941,129	.....	.....
Deposits,	153,472,261	153,751,919	..002	.....

The loss of Specie has been by the Banks of this city entirely, and a large part of it was used in the new Government loan, but was almost immediately returned to circulation as the disbursements by the Government are largely in excess of the receipts.

The following statements show the condition of the Banks of the different cities, in respect to loans, specie, circulation and deposits:

Statement of the condition of the Banks in the principal cities of the United States, May 1st, 1858 :

	<i>Loans.</i>	<i>Specie.</i>	<i>Circulation.</i>	<i>Deposits.</i>
New York,	\$111,868,456	\$35,064,213	\$7,430,814	\$98,438,506
Boston,	51,490,700	9,243,000	5,903,600	21,257,900
Philadelphia,	22,243,824	7,027,712	2,329,617	15,589,713
New Orleans,	15,933,046	10,892,453	7,945,334	16,681,593
Pittsburg,	5,784,492	1,192,216	1,360,551	1,504,549
	<u>\$207,329,518</u>	<u>\$63,419,594</u>	<u>\$24,970,216</u>	<u>\$153,472,261</u>

Statement of the condition of the Banks in the principal cities of the United States, June 1st, 1858 :

	<i>Loans.</i>	<i>Specie.</i>	<i>Circulation.</i>	<i>Deposits.</i>
New York,	\$116,050,943	\$31,496,144	\$7,252,616	\$99,351,901
Boston,	53,469,000	9,120,800	5,903,000	20,846,900
Philadelphia,	23,103,418	7,031,756	2,436,527	15,726,640
New Orleans *	13,772,173	10,394,638	7,954,840	16,358,630
Pittsburg,	5,843,108	1,212,179	1,394,146	1,467,848
* May 22.	<u>\$212,838,642</u>	<u>\$59,255,517</u>	<u>\$24,941,129</u>	<u>\$153,751,919</u>

The loans have increased in the different cities with great regularity. The circulation and deposits do not show much variation.

III.—NEW JERSEY.

Abstract of the Quarterly Statements of the several Banks of New Jersey, for April, 1858, compared with January, 1858 :

<i>LIABILITIES.</i>		
	<i>April.</i>	<i>January.</i>
Capital Stock,		
Circulation,	\$7,273,642 00	\$7,494,912 00
Deposits,	4,783,427 00	3,395,986 00
Dividends unpaid,	4,600,400 46	3,660,407 96
Due other Banks,	84,561 73	86,197 68
Other debts,	606,651 35	507,077 19
Surplus,	31,259 97	80,763 57
	<u>1,206,954 34</u>	<u>1,276,068 17</u>
<i>RESOURCES.</i>		
Bills discounted,		
Specie,	\$12,980,689 49	\$11,864,319 95
Due from other Banks,	1,140,812 92	1,308,851 26
Notes and checks of other Banks,	2,329,560 26	1,609,817 77
Real Estate,	737,051 89	494,197 42
Stocks,	353,924 64	344,045 20
Other assets,	744,045 52	721,098 27
	<u>173,140 91</u>	<u>288,802 96</u>

From these statements we learn that there is a decrease of \$221,270 in the aggregate capital; \$49,503 69 in the amount of other debts owing by the Banks; \$59,113 83 in surplus; \$168,038 44 in specie, and \$115,662 05 in other assets. The circulation has increased \$1,387,491; the deposits \$940,192 50; the unpaid dividends \$48,364 10; the amount due to other Banks \$99,574 16; the bills discounted \$1,616,369 54; the amount due from other Banks \$719,742 49; notes and checks of other Banks, \$122,854 47; stocks \$22,947 25.

FOREIGN ITEMS.

BANK OF BRITISH NORTH AMERICA.—At the annual meeting of the proprietors of the Bank of British North America, London, June 9, 1858, a dividend was declared for the year 1857 at the rate of 6 per cent. per annum, free of income tax, and the report was adopted unanimously. Annexed is an abstract:

In the earlier part of the year a general state of dulness and contraction of trade prevailed in the provinces of British North America. This appeared no unnatural reaction from the activity and prosperity which had resulted from large railway expenditure, and from the high prices for colonial produce which existed for some previous years. A somewhat diminished Canadian harvest, however, concurring with favorable harvests in Europe, and a considerable depression in the timber trade, increased this dulness, and the monetary crisis, which commenced in the United States and rapidly spread to Europe, then found these provinces the less prepared to meet its pressure. Failures have taken place and losses have been sustained, but not to the extent at first apprehended. Trade, however, has been still more contracted, and the business of all the banks materially curtailed. But it is only due to the mercantile public to state that, under these adverse circumstances, they have made the most laudable exertions to discharge their obligations, and it is not a little to the honor of the banks in the North American provinces that they have maintained their specie payments at a period when a contrary course was generally adopted by the banks in the United States. The bank has suffered a considerable and unexpected loss, unconnected with the above circumstances, by the failure of Messrs. Edward Burstall & Co., who were extensive and highly esteemed customers of the branch in Quebec. Messrs. Burstall had placed assets in the hands of their bankers, Messrs. Harrison, Watson & Co., of Hull, sufficient to meet the whole of their drafts on England. In the confidence felt in the respectability of the parties, these bills were freely purchased by this and other banks. The loss which Messrs. Burstall suffered by the failure of Messrs. Harrison & Co., and the consequent return of a large portion of their bills, rendered their suspension inevitable. Messrs. Burstall have since offered a compromise to their creditors, which the bank has accepted. The directors have thought it right to state the circumstances which do not enable them to accompany their dividend with a bonus. It will, however, be satisfactory to learn that the net profit for the year is sufficient, after making provision for these losses, to pay a dividend at the rate of 6 per cent. per annum, free of income tax, and to carry a sum amounting to £4,706 to the 'rest,' or balance of undivided profits. The directors express their belief that the period of commercial depression is now passing away, and they look forward to a gradual return of prosperity throughout the provinces.

CURRENCY IN GREAT BRITAIN.—The *London Bankers' Magazine* furnishes the returns of the circulation of the private and joint-stock banks in England and Wales for the four weeks ending the 8th of May. These returns, combined with the circulation of the Scotch and Irish banks for the same period, and the average circulation of the Bank of England for the four weeks ending the 5th of May (the nearest date furnished by their returns), will give the following results of the circulation of notes in the United Kingdom when compared with the previous month:

	April 10, 1858.	May 8, 1858.	Increase.
Bank of England.....	19,643,490	20,436,079	842,580
Private Banks.....	3,209,578	3,848,379	138,801
Joint Stock Banks.....	2,749,379	2,914,175	164,796
Total in England.....	25,612,456	26,758,633	1,146,177
Scotland.....	3,611,392	3,712,678	101,286
Ireland.....	6,234,778	6,262,727	27,949
United Kingdom.....	35,458,626	36,734,038	1,275,412

And as compared with the month ending the 9th of May, 1857, the above returns show an increase of £94,211 in the circulation of notes in England, and a decrease of £1,018,402 in the circulation of the United Kingdom.

On comparing the above with the fixed issues of the several banks, the following is the state of the circulation :

The English private banks are below their fixed issue.....£1,056,556
The English joint-stock banks are below their fixed issue..... 388,182

Total below fixed issue in England.....£1,444,738

The Scotch banks are above their fixed issue..... 625,469

The Irish banks are below their fixed issue..... 91,767

The average stock of bullion held by the Bank of England in both departments during the month ending the 5th of May was £18,461,234, being an increase of £57,163 as compared with the previous month, and an increase of £8,829,249, when compared with the same period last year.

The following are the amounts of specie held by the Scotch and Irish banks during the month ending the 8th of May :

Gold and silver held by the Scotch banks.....£2,148,611
Gold and silver held by the Irish banks..... 2,289,261

£4,437,872

being an increase of £29,849, as compared with the previous return, and an increase of £352,025, when compared with the corresponding period last year.

TRADE IN FRANCE.—The depression which marks trade and commerce in the Atlantic cities, is also general throughout France. The Paris correspondent of the *London Times*, under date of 16th May, says, of the extraordinary distress in the manufacturing districts :

Notwithstanding the general expectation entertained that the commercial crisis, which has lasted for six months, was near its conclusion, the last week has been as unsatisfactory as the preceding. The distress among the *bourgeoisie* of Paris is great. Many who have been living on their capital are now exhausted, and their goods and furniture are every day taken in execution and sold by auction. It is the opinion of the most experienced merchants, that there will be no commercial activity until after the next harvest, and until the result shall have fixed prices, according as the wheat crop shall be productive or otherwise. Appearances at present, lead us to believe that prices will be low, and it is certain that both buyers and sellers are waiting to be assured of that, previous to their entering into any fresh speculations. According as the weather becomes warmer the demand for light stuff increases, but on condition that the prices asked are very low. The manufacturers have not been able to execute the value of the raw material. A few foreign merchants have appeared at Mulhouse, and some business has been transacted. At Rouen likewise there have been more sales effected than during the month of April. The price of wool of this year's shearing has not yet been fixed, but speculators expect a diminution of from 20 to 30 per cent. on the price of last year. This calculation is founded on the result of the last fair at Leipsic, and it is moreover ascertained that although the stock of wool in the hands of the manufacturers is light, the bonding stores are overcrowded with foreign produce. It is still the general opinion that the price of raw silk must decline. The difficulties in which the holders of silk are placed, in consequence of the crisis and the large quantity in the public stores, will probably prevent them from having recourse to the raising of cash on accommodation bills, as they did last year. It is possible that the speculators for a further rise in silk may have serious losses to lament, but they will have only themselves to blame. They have by their unreasonable pretensions prevented the manufacturers from working. The variation in the price of oil, and the sudden rise in the article, followed by as sudden a fall, merits attention. Three weeks since rape oil was quoted at 84f. the 100 kilogrammes. On Saturday last it had risen to 107f., and the following Monday it fell to 101f. This factitious rise was caused by alarming reports of the state of the crops, while the truth is that a fair average crop is expected.

We may safely predict that the plethora of capital in England and the principal money marts of the United States, will soon create speculation in various shapes. It was the case in London in 1844-5, when the most extravagant and costly enterprises were introduced, encouraged and adopted—followed by the severe revulsion of 1847-8. A similar train of circumstances occurred immediately after the war with Russia, 1854-5, when every species of joint-stock enterprise was brought before English capitalists. Money lenders will soon get tired of receiving in London 2 or 3 per cent. for their deposits in Bankers' hand, or $3\frac{1}{2}$ a 5 per cent. as is the case in New York.

MISCELLANEOUS ITEMS.

THE TENNESSEE DEFALCATION.—The Nashville *Banner*, from information derived from the investigation before the Legislative Committee of Inquiry, reports the amount of defalcation in the office of Secretary of State of Tennessee at \$85,211 61. Of this amount, \$713 were received by the late Secretary, F. W. N. Burton, in his official character as Secretary, and will be chargeable to his sureties. The main deficiency is in amounts collected from Turnpike and Railroad dividends, which F. W. N. Burton collected as commissioner under a special act of the Legislature. This act required the Governor to exact and receive security, but this duty, it appears, has been neglected or overlooked.

PENNSYLVANIA CANALS.—The North Branch Canal has been sold for \$1,500,000, and Governor Packer has signified his approval. The purchasers, who intend making it a finished and useful work, have organized a company under the style of "The North Branch Canal Company," and have elected Mr. Charles F. Wells, Jr., of Athens, President, and Mr. George M. Hollenbach, of Wilkesbarre, Treasurer, with an efficient Board of Managers. The money to complete the upper division of this important work has been raised, and within two weeks, or less, boats are expected to pass through the entire line. The inhabitants of Northern Pennsylvania and the lower counties of New York, are to be congratulated that the Canal has passed into good hands, and will, at last, be made efficient. The friends of the Sunbury and Erie Railroad Company must feel a high degree of satisfaction at the sale, as tending to hasten the completion of that great highway from Philadelphia to the Lakes.

NEW YORK STATE LOANS.—Three loans for the State were taken on the 24th June, amounting to \$1,800,000. The \$1,500,000 loan will mature on the 1st of October, 1886; the \$200,000 on the 1st of July, 1860, and the \$100,000 on the 1st of July, 1875. The awards were as follows:

\$1,500,000	R. H. King, J. B. Plumb, C. H. Russell, A. P. Halsey, J. Sill and J. T. Soutter, at.....	101.62 netting	\$1,524,300 00
50,000	J. M. Pinckney & Co.....	101.15	50,575 00
50,000	do do.....	100.85	50,425 00
50,000	Whitehouse, Son & Morison.....	100.85	50,425 00
50,000	do do.....	100.80	50,400 00
15,000	Tradesmen's Bank.....	103.26	15,489 00
10,000	Williamsburg City Bank.....	103.05	10,305 00
65,000	James G. King's Sons.....	102.85	66,852 50
10,000	do do.....	102.65	10,265 00
\$1,800,000			1,829,036 50

BANK ITEMS.

NEW YORK BANKS.—In a recent article written by Mr. J. R. McCulloch on "Money and Banks," published in the *Encyclopædia Britannica*, he remarks, in reference to the Banks of this city:

"To show the worthlessness of the returns published by the American Banks, we may state that they continue, down to the latest advices (December 1857), to represent the capital of the New York Banks as quite unimpaired, and as large as it had been twelve months ago! *But every body knows that it is impossible such should be the case. A very large proportion, not less, perhaps, than from a third part to a half or more of the capital of the Banks, must have been lost by the late bankruptcies in that city, and by the depreciation of the stocks held by the Banks.*"

The results of a more rigid inquiry than appears to have been instituted, would have satisfied our trans-atlantic friends that the banking capital of New York is indeed *in fact*, according to the official reports made to the Banking Department. Where the capital has been (as appears in some few instances by the non-payment of dividends) somewhat reduced, the deficit is more than made up among those that have not only declared dividends of profits, but show a surplus of 5 to 25 per cent., showing an existing and bona fide capital of about sixty-seven millions. The American publishers of the *Encyclopædia Britannica*, well known capitalists, are reputed to be large shareholders in Banks; and one of them the President of a Bank, whose stock is held at 105. We think they will scarcely endorse the sweeping paragraph above extracted.

Loan Institution.—The New York Legislature refused to amend or remove the Usury Laws from the Statute Book, but they adopted, without knowing it, the initiatory step in such reform, by chartering a Company authorized to loan money at 15 per cent. interest!! Why a select body of people should be allowed to charge from 9 to 15 per cent., and all others seven per cent. as a maximum, is an inconsistency, to say the least. The first two sections of the new law provide as follow:

Section 1. That Anthony J. Bleecker, James S. Sluyter, A. M. C. Smith, Simeon Draper, Patrick G. Maloney, Nathaniel M. Freeman, William H. Michaels, David M. Talmadge, O. S. X. Peck, Amariah D. Barker, Augustus G. Seaman, and their associates, shall be and are hereby constituted a body, corporate and politic, by the name and style of the "People's Loan and Relief Company," and by that name shall have perpetual succession, and may sue or be sued in any Court whatsoever, and whose operations of business shall be confined to the City and County of New York.

Sec. 2. The corporation hereby created, in addition to the powers conferred by law upon corporations, shall have the power to loan money in any sum, on a pledge of personal property, and to charge interest thereon at the rate of 15 per cent. per annum on all sums under \$50, and not exceeding \$100, 12½ per cent., and beyond this amount, 9 per cent. per annum, and may receive money on deposit, not allowing over 7 per cent. per annum, and to each depositor shall be furnished a pass-book or certificate, of the name of the depositor and the amount of the deposit, the time of the loan, and the rate of interest agreed to be paid by the Company, a copy of which shall be entered in the books of the Company.

The "People's Loan and Relief Company" may, if properly managed, be a public benefit—although no capital is authorized or contemplated; but if they can borrow at 6 or 7, and lend at 9 to 15, the margin is a handsome one. The Company may indeed prove a benefit as a sort of "Mont de Piete," of which several exist in Paris, Dublin, and other cities, where respectable parties may obtain loans on the pledge of personal property, at moderate rates of interest. We speak of the new law of this State as a wise one, but certainly invidious in its distinction from other chartered concerns.

MASSACHUSETTS.—Several years ago, Mr. Thomas Hooper, then Teller of the Merchants' Bank, obtained of the Teller of the Atlantic Bank, Mr. Ward, twenty-five thousand dollars, in the bills of the Atlantic Bank, for which he gave a certified check. These bills were used to make good his account with the Merchants' Bank, and were found entire in his trunk after he committed suicide. The Merchants' Bank, however, refused to redeem the check or return the bills. The decision of the court is in favor of the Atlantic Bank, with interest, in all about \$30,000.

A MISTAKE IN A DATE.—A day or two since, says the Boston Traveller, the funds of a depositor in one of the State Street Banks were trusted [or attached] to an amount exceeding one thousand dollars. To all appearances the creditor had the decided advantage of his debtor, when a second perusal of the copy of the writ which had been served upon them by a Deputy Sheriff disclosed an error of date, the writ having been dated one day ahead. An inspection of the original writ showed that the mistake was made by the lawyer. The depositor took advantage of the time so generously allowed him by the drawee of the writ, and drew all his funds out of the bank, at the same time declaring that he would not a second time be caught in such a scrape.

DOMESTIC EXCHANGE.—The following are the present rates on New York from the principal cities :

Boston, Mass., on New York.....	Par.	Richmond, Va., do, premium.....	‡
Baltimore, Md., do.....	Par.	Wilmington, N. C., do ".....	1‡
Philadelphia, Pa., do.....	Par.	Nashville, Tenn., do ".....	2‡
Cincinnati, Ohio, do premium.....	‡	Detroit, Mich., do ".....	‡
Chicago, Ill., do ".....	‡	Milwaukee, Wis., do ".....	‡
Charleston, S. C., do ".....	‡	Dubuque, Iowa, do ".....	1
Savannah, Ga., do ".....	‡	Mobile, Ala., do ".....	‡
St. Louis, Mo., do ".....	‡	New Orleans, La., do ".....	‡
Louisville, Ky., do ".....	‡		

UNCURRENT MONEY.—The following are the rates of discount at New York :—

	Discount.		Discount.
New York State Currency.....	—a ‡	North Carolina.....	—a 2
New England.....	—a ‡	South Carolina, and Georgia.....	—a 1
New Jersey.....	—a ‡	New Orleans and Mobile.....	—a 1
Philadelphia.....	—a ‡	Ohio, Indiana, and Kentucky.....	—a 1
Penna. Country.....	—a ‡	Indiana Free Banks.....	—a 1‡
Baltimore.....	—a ‡	Missouri.....	—a 1
Maryland Country.....	—a ‡	Tennessee, old banks.....	—a 3
Delaware.....	—a ‡	Illinois and Wisconsin.....	—a 1
Virginia.....	—a 1	Canada.....	—a ‡

CONNECTICUT.—Mr. Pratt, a Director of the East Haddam Bank, recently left a package of the bills of that bank, amounting to \$4,800, with the clerk of the American Hotel, for safe keeping over night. The clerk was informed that the package contained "valuable papers." The clerk threw the package into the desk. During the night the desk was opened, perhaps during the evening, when it was not locked, and the package abstracted. The bills had been redeemed in Boston, and were taken from the Phenix Bank by Mr. Pratt yesterday afternoon. He was to return them to the bank at East Haddam to-day. They were new bills.—*Hartford Times*, June 15.

NEW JERSEY.—Frederick King, Esq., for many years Cashier of the Farmers' and Mechanics' Bank of Rahway, New Jersey, has resigned that position, from the 1st of July next, when he will remove to the city of Newark.

Carlisle.—William M. Beetem has resigned the cashiership of the Carlisle Deposit Bank, and N. C. Musselman, late chief clerk, has been unanimously chosen to succeed him.

Pennsylvania Currency.—The Philadelphia Press states that the Philadelphia Banks and others adjacent have entered into an arrangement for receiving all the notes of the Banks of Pennsylvania east of the Alleghany mountains, on deposit and in payment of debts, on and after the 18th of September next. This arrangement will be very advantageous to the trading community, who have been compelled to take the notes of interior Banks that are at a discount, in payment for their merchandise. We trust that all the Banks in the State will see the propriety of keeping the issues at par in that city, which, if done, would save the business community a large sum, which annually they are compelled to expend to have their currency exchanged for bankable funds.

PENNSYLVANIA.—Bank capital in Philadelphia is more profitable than in this city, if we may judge by the current quotations of their Stocks—the aggregate capital being \$11,310,000. The present prices are annexed, including the Kentucky and Tennessee banks, whose stocks are largely held in Philadelphia :

	Par.	Offered.	Asked.
North America.....	100	132½	—
Pennsylvania.....	100	1½	2½
Philadelphia.....	100	112	—
Farmers and Mechanics'.....	50	59	—
Commercial.....	50	48	48½
Northern Liberties.....	50	56	—
Mechanics'.....	20	26	26½
Southwark.....	50	64	75
Kensington.....	50	62½	—
Penn Township.....	35	35	—
Girard.....	12½	10½	10½
Western.....	50	59	60½
Manufacturers and Mechanics'.....	25	25½	25½
Consolidation Bank.....	30	24	—
Commonwealth Bank.....	25	—	20
Commerce.....	50	60	—
Tradesmen's.....	50	65	—
United States.....	100	—	½
City Bank.....	50	44	45
Miners', Pottsville.....	50	43½	—
Bank of Pittsburg.....	50	50	—
Merchants and Manufacturers', Pittsburg...	50	50	—
Kentucky.....	100	112	—
Northern, Kentucky.....	100	115	—
Louisville.....	100	115	—
Farmers' Bank, Ky.....	100	115	—
Union, Tennessee.....	100	95	100
Planters', Tennessee.....	100	95	100

Philadelphia.—The movements of the Philadelphia banks since November 1857, have been as follows :

1857.		Loans.	Specie.	Circulation.	Deposits.
Nov. 4,		21,199,462	2,071,464	2,141,113	15,635,788
1858.					
Jan. 11,		21,302,374	3,776,701	1,011,033	11,465,263
Feb. 8,		20,359,226	4,668,085	1,293,046	11,904,519
March 8,		20,471,166	5,147,615	1,916,352	12,253,282
April 5,		21,657,152	5,937,597	2,647,219	13,422,318
May 3,		22,243,824	7,027,712	2,329,617	15,589,713
" 24,		22,969,576	6,993,371	2,410,181	15,345,423
" 31,		23,103,418	7,031,756	2,436,527	15,726,640
June 7,		23,542,751	6,985,208	2,406,368	15,776,251
" 14,		23,796,085	7,055,188	2,387,886	15,883,306

MARYLAND.—The American Bank, chartered by the last Legislature, which commenced business in Baltimore about two months since, closed its doors this morning. All attempts to secure a circulation for its notes in Baltimore have failed, and it may be regarded as a matter of gratulation that little or no loss will be sustained by our citizens.

The funds, amounting at first to \$30,000, on deposit in the Bank of Commerce, for the redemption of the notes of the American Bank, have been all withdrawn, and the doors of its banking room being closed, there is now no place for their redemption in the city.

It had a large circulation in the West, from whence they have been sent in for redemption in considerable quantities during the past ten days. As far as we have ascertained all its notes presented for redemption up to last evening were cashed in gold and silver.—*Balt. American*, June 19.

Baltimore.—Michael Warner, Esq., was, on the 7th of June, elected President of the Mechanics' Bank, in place of John B. Morris, Esq., resigned.

KENTUCKY.—The small note law of Kentucky takes effect June 1st; after which a severe penalty attaches to the offence of offering or passing any "Bank bill or note, or other thing purporting to be money," of a less denomination than \$5, located out of that State.

LOUISIANA.—The cash assets and liabilities of the New Orleans Banks for the week ending on the 15th inst., were as follows:

	<i>Loans.</i>	<i>Specie.</i>	<i>Circulation.</i>	<i>Deposits.</i>
Citizens' Bank.....	\$3,141,610	\$2,277,703	\$2,441,865	\$3,467,380
Canal Bank.....	763,803	976,738	771,380	930,690
Louisiana Bank.....	1,899,844	1,902,302	938,479	3,441,315
La. State Bank	3,225,707	2,765,591	1,717,070	4,514,349
Mech. & Tds.....	476,810	457,042	204,235	779,930
Bank N. O.....	1,172,619	559,208	429,670	779,939
Southern Bank.....	180,529	160,482	204,985	320,555
Union Bank.....	892,156	359,961	576,615	677,920
Bank J. Robb.....	273,764	174,911	345,845	326,137
Crescent City	1,006,488	200,009	143,040	247,258
Bank America.....	488,198	423,223	193,800	522,466
Total.....	\$13,521,534	\$10,257,171	\$7,965,484	\$16,007,639

ILLINOIS.—According to the existing Statutes in Illinois the endorser of a note is shielded by law, to a certain extent, from prosecution, if the holder of the same does not institute proceedings in season for the next term of the Court. The following, from the Revised Statutes of that State, is the section bearing on the point:—

"Section 7. Every assignee or assignors, or his, her or their heirs, executors or administrators, of every such note, hand-bill or other instrument in writing, shall be liable to the action of the assignee or assignees thereof, or his, her or their executors or administrators, if such assignee or assignees *shall have used due diligence*, by the institution and prosecution of a suit against the maker or makers of such assigned note, hand-bill or other instrument of writing, or against his, her or their heirs, executors or administrators, for the recovery of the money or property due thereon, or damages in lieu thereof. *Provided*, That if the institution of such suit would have been unavailing, or that the maker or makers had absconded or left the State when such assigned note, hand-bill or other instrument in writing became due, such assignee or assignees, or his or her executors or administrators, may recover against the assignee or assignees, or against his or their heirs, executors or administrators, as if due diligence by suit had been used."

It will be noticed that the endorser (assignor) is discharged if *due diligence* is not used by suit, &c., and we learn from headquarters that the Court holds the commencing of a suit at the first term after the note matures, to constitute such due diligence.

If the party can prove that suit against the maker would be unavailing, &c., the strict rule does not apply, but it is well known that such proof is generally very difficult and troublesome, even though there may be no doubt of the fact.

OHIO.—The branches of the State Bank of Ohio have made decided progress toward the establishment of a clearing house in this city, upon the plan recently proposed by the convention of the Indiana, Kentucky and Ohio bankers, held in this city, the movements of which were suddenly terminated by the discovery of a legal difficulty in the way of locating an agency of a foreign bank in this State. The Indiana banks, and a portion of the Kentucky banks, will doubtless co-operate with the Ohio banks in this undertaking, so as to make it in fact a clearing house for the leading institutions whose circulation centres at this place. The capital has been fixed at half a million, a portion of which is left to be subscribed in this city. So much of it as has been apportioned to the country banks, being much the largest of the whole, has been subscribed, and on Friday last, the following gentlemen were chosen to represent this interest as directors, viz:—Noah L. Wilson, V. Winters, of Dayton, and A. Stone, Jr., of Cleveland. Two Directors are to be elected from this city. One of these, we are pleased to learn, is to be W. W. Scarborough, who is also to be President of the institution, provided he can be prevailed upon to accept the position. It is to be hoped he will consent to serve. There are few men more competent to fill the place.—*Cincinnati Gazette*, June 22.

MISSOURI.—A decision of considerable importance to the new Banks of Missouri has just been made by high legal authority in St. Louis. It will enhance the value of the Bank Stocks, and give much greater ease and simplicity to the operations of the Banks.

The decision is to the effect that the Parent Banks are not bound, according to the charter, to furnish any part of the *permanent* capital of the Branches. The advances of coin required to be made by the Parent Banks to the Branches, at the organization of the latter, are regarded as a temporary aid to enable the Branches to begin business. One of these legal opinions says:

"It is not designed to be placed there as capital, for, were it so, then the Branch circulation must be based upon it; and having already been coin paid in on Parent Bank subscriptions, upon which a circulation has already been based, it would be twice issued upon."

A further inconsistency would occur in this way: If a Bank with a capital of \$2,000,000 has two Branches, they being entitled to two-fifths of the total capital, would have \$800,000. Now, if the Branches get that amount subscribed, and the Parent Bank be required to furnish them a like amount, as many have supposed, the two Branches would thus come to have an aggregate capital of \$1,600,000, instead of \$800,000, and the Parent Bank only 400,000, instead of 1,200,000, which, in the supposed case, would be the amount allowed by the Banking Law.

INDIANA.—Quarterly Statement, showing the condition of the Free Banks of Indiana, amount and description of securities, and circulation outstanding June, 1858:

	Securities.	Circulation.
Bank of Goshen	\$79,502	\$46,680
Bank of Gosport	109,774	59,390
Bank of Mount Vernon.....	59,500	51,770
Bank of Paoli.....	33,000	49,455
Bank of Rockville, Wabash.....	65,000	52,480
Bank of Salem, New Albany.....	67,500	45,500
Bank of Salem, Salem.....	86,000	64,859
Bloomington Bank.....	100,000	75,450
Exchange Bank.....	90,758	47,411
Indiana Bank, Madison.....	96,577	57,450
Farmers' Bank, Westfield	79,772	53,428
Indiana Farmers' Bank, Franklin	61,000	45,810
Kentucky Stock Bank, Columbus	94,600	70,235
Lagrange Bank, Lima	80,050	59,085
Parke County Bank, Rockville.....	101,000	76,257
Prairie City Bank, Terre Haute.....	75,000	53,771
Salem Bank, Goshen	64,500	49,415
Southern Bank of Indiana, Terre Haute	112,000	83,128
Banks which are voluntarily winding up:		
Cambridge City Bank.....	61,673	36,000
Central Bank, Indianapolis.....	5,000	4,373
Crescent City Bank, Evansville	44,100	33,646
Bank of Indiana, Michigan City.....	15,000	11,426
Brookville Bank.....	16,500	12,004
Bank of Syracuse, Goshen.....	18,000	13,859
Bank of Monticello.....	500	300
Bank of Elkhart.....	33,000	25,496
Canal Bank.....	24,000	17,128
Hoosier Bank, Logansport.....	4,000	3,565
Huntington County Bank	2,260	1,835
Merchants & Mechanics' Bank, New Albany	3,000	1,558
Fayette County Bank.....	2,686	2,686
Indian Reserve Bank.....	2,433	2,433
Indiana Stock Bank.....	5,269	5,269

WISCONSIN.—Union Bank, Milwaukee, Wis., has just been organized on a capital of \$50,000. The rapid increase of Banks in Wisconsin is remarkable; they now number one hundred and five, besides fifteen or twenty that are broken and closed. Still another new Wisconsin Bank has just been opened, called the Bank of Wisconsin at Waterloo, L. E. Schuyler, President; J. F. Westover, Cashier.

CANADA.—The following table exhibits the Circulation, Specie and aggregate loans of the Banks of the Province of Canada (exclusive of the Bank of British North America and the Gore Bank):

	<i>Circulation.</i>	<i>Specie.</i>	<i>Loans.</i>
Quebec Bank.....	\$582,981	\$77,476	\$1,929,553
City Bank of Montreal.....	476,639	147,712	1,976,188
Bank of Montreal.....	2,338,777	695,394	9,141,135
Commercial Bank.....	1,219,722	424,556	5,915,305
Bank of Upper Canada.....	2,165,550	280,490	6,939,254
Banque du Peuple.....	320,089	92,222	1,673,349
Molson's Bank.....	331,962	71,450	1,196,991
Niagara District Bank.....	173,367	21,241	416,436
Bank of Toronto.....	268,944	85,242	648,277
Ontario Bank.....	113,080	16,180	314,406
Free Banks.....	357,299	18,778	118,760
Total for April, 1857.....	\$8,348,410	\$1,930,741	\$30,242,627
March.....	8,185,509	2,003,992	30,921,803

THE BANK OF MONTREAL.—The annual report of the Manager of the Montreal Bank was delivered at a meeting of the Stockholders held on Tuesday, the Hon. Peter McGill, President, in the chair. Mr. McGill in a short address congratulated the Stockholders upon the generally prosperous state of the affairs of the Corporation, which had permitted the declaration of a dividend of 4 per cent. on its stock for the past half-year, notwithstanding the commercial difficulties of 1857. From the report we learn that the net profits of the Bank for the year, besides the payment of the Government tax of £3,738 12s. 6d., amounted to £139,786 4s. 1d. There was a dividend paid on the 1st December last, at 3 per cent., of £42,474 11s. 6d., and a second, recently declared, at 4 per cent., of £57,469 9s. 4d. During the past year the payments upon new stock have amounted to \$249,580 [£62,395], and the paid up capital is now \$5,759,320 [£1,539,830]. The satisfactory condition of the Corporation drew from the Stockholders a unanimous vote of thanks to the Manager, Cashier, and other servants, for their attention to the interests of the Bank, also to the President and Directors for their services the past year. The following gentlemen were on the same occasion elected Directors:—Messrs. the Hon. Peter McGill, Thomas B. Anderson, Duncan Finlayson, Benjamin Holmes, James Logan, John Redpath, Thomas Ryan, Henry Thomas, and David Torrance.

THE CITY BANK, MONTREAL.—On the 7th instant the annual meeting of the shareholders of the City Bank was held in the Banking-house, Place d'Armes, when a report was submitted of the year's business, which occupies two columns and a half of fine print in the Montreal Advertiser. We glean from it that the losses amount to £10,000, which was "confined entirely to Upper Canada," but the Bank had a reserve fund to fall back upon of £40,378 4s. 5d. In other respects the affairs are in a prosperous condition, notwithstanding the depressing influence of the "hard times." The report says: "in common with other Banking Institutions our circulation has decreased very materially: it is now £63,000, less than it was a year ago; £80,000 less than it was two years ago, and £130,000 less than it was three years ago. Although there is little doubt that this decrease is, in a large degree, owing to our present commercial inactivity, the Board are of opinion that other causes have been operating to produce it. The balance account shows a table of assets amounting to \$2,541,620 28d." The report enters largely into the discussion of the principle of the Usury Laws, maintaining that the increased freedom given to money by their partial repeal would materially aid in restoring prosperity, but all reforms in that direction which in any manner make special exception of the large money emporiums, the Banks, will fall short of the remedy required. After the usual vote of thanks to the President, Vice-President, Directors, and a special vote to Mr. F. McCulloch, the cashier, for their efficient services, the following gentlemen were elected Directors for the ensuing year, viz: Messrs. William Workman, John Carter, William Macdonald, John Rose, and Charles Philips.

PRIVATE BANKERS.—Messrs. White and Atherton, bankers, succeed Messrs. White, Cook & Co. at Burlington, Iowa, and refer to responsible parties at New York, &c. (See their card on the cover of this work.)

St. Louis.—Messrs. G. H. Loker & Brother succeed the late firm of Messrs. Loker, Renick & Co. at St. Louis. Their New York references are the Bank of the State of N Y. and the St. Nicholas Bank. (For additional references, see their card on the cover of this work.)

ILLINOIS.—Messrs. Preston, Morse & Co. succeed Preston, Bowers & Co. as bankers, at Kewanee, Henry County, Illinois. (For New York and other references, see their card on the cover of this work.)

MINNESOTA.—Messrs. Borup & Onkes have resumed business as bankers at St. Paul, Minnesota. Their temporary suspension was produced by the failure of the Ohio Life and Trust Co.; but having liquidated all claims against them, are now prepared to transact business as formerly. (See their card on the cover of this work.)

NEW YORK.—The firm of Hoffman, Campbell & Co. has been established at No. 45 Wall Street. It consists of Mr. CHARLES B. HOFFMAN, son of Hon. OGDEN HOFFMAN; Mr. CAMPBELL, late of the firm of SCULL, CAMBLOS & Co., of Philadelphia; Mr. CRONISE, late of Cronise & Co., bullion dealers, Philadelphia; and Mr. GELSTON, for many years chief bullion clerk of Messrs. BEEBE & Co. of this city.

Ballard's Merchants and Bankers' New York City Reference Guide. Published and for sale by LEWIS BALLARD and Co. (Price Twenty-five Dollars.)

This book gives accurately the standing and condition of the principal business firms in New York city, and has been prepared under the supervision of eminent merchants in the various branches of business, and is an invaluable work to merchants and bankers doing business in or with New York city. It is especially valuable to Western or Southern Bankers doing a large exchange business. The list of subscribers, including most of the New York city banks and private bankers, almost precludes the necessity of giving any assurance of its merits, but from a close inspection of the work, the editors have found it of great accuracy. In the advertisement in this number a list of a portion of the subscribers is given, so that its reliability can be fully ascertained.

Copies of this Work will be furnished by Express to Order, by the Publisher of the *Bankers' Magazine*.

Collections in the South and West.—Several new banking houses have commenced operations lately. The cards of these may be found on the cover of this work, and a complete list of all the banking houses, as well as of all the banks in the United States, may be found in the "Merchants and Bankers' Register," for 1858, published early in February, the second edition of which is now published. The cards of bankers in the following places may be found on the cover of this magazine:

MASSACHUSETTS.—Boston.—NEW YORK.—New York City, Buffalo.
 PENNSYLVANIA.—Philadelphia, Pittsburg, Scranton.—MARYLAND.—Baltimore.
 DISTRICT OF COLUMBIA.—Washington.
 VIRGINIA.—Fredericksburg, Lynchburg, Richmond.
 ALABAMA.—Mobile, Montgomery.—ARKANSAS.—Helena.
 CALIFORNIA.—Sacramento.
 ILLINOIS.—Beardstown, Chicago, Dixon, Kewanee, Moline, Peoria, Peru, Port Byron, Rockford, Quincy, Springfield, Sterling.
 INDIANA.—New Albany, Richmond.
 IOWA.—Burlington, Cedar Rapids, Council Bluffs, Chariton, Clinton, Fairfield, Davenport, Des Moines, Dubuque, Fort Dodge, Iowa City, Keokuk, Muscatine, Sioux City.
 KENTUCKY.—Lexington, Louisville.—LOUISIANA.—New Orleans.
 MICHIGAN.—Battle Creek, Grand Rapids.
 MINNESOTA.—Minneapolis, St. Paul, St. Anthony.
 MISSOURI.—Boonville, Glasgow, Hannibal, St. Louis.
 OHIO.—Cincinnati, Cleveland, Newark, Sandusky, Toledo.
 TENNESSEE.—Nashville.—TEXAS.—Galveston, San Antonio.
 WISCONSIN.—Milwaukee, Mineral Point, Sheboygan, Fond du Lac.
 CANADA.—Kingston, &c.

Notes on the Money Market.

NEW YORK, JUNE 26, 1858.

Exchange on London, at Sixty days' sight, 9½ a 9¾.

THE Money Market exhibits features very different from those of June 1856 and 1857. The accumulation of capital at the leading cities has reduced the rates on loans to 3 and 5 per cent on first class securities. We quote as follows for the present week :—

Loans on call, Stock securities,	3 a 4 per cent
Do on other good securities,	4 a 5 "
Prime endorsed bills, sixty to ninety days,	3½ a 4½ "
Do four to six months,	4½ a 5½ "
First-class single signatures,	5 a 6 "
Other good bills,	6 a 7 "
Names not well known,	8 a 9 "

There have been some uneasy sensations in the market during the months of May and June, resulting from the unsettled question between this Government and Great Britain, as to the right of search. The money market is indeed readily affected at all times by political questions of a domestic or foreign nature, but in the present case there would seem to be no serious ground for belief that any actual differences can arise between the two countries. The commercial interests of both are too strongly identified to allow any serious disturbance of the friendly relations for some years prevailing between them.

The great abundance of capital in this city and other financial quarters, is such as to give quite an impulse to State Loans in this market. The new loans of the State of New York, bearing five per cent interest, have been taken this week at premiums ranging from 80 cts. to \$3 27 per hundred dollars, realizing an aggregate premium of \$29,036 on the three loans, amounting to \$1,800,000. The substantial six per cents. of other States range from 87½ to 106, a wide difference, that of New York being quoted at 113 a 115, while Californian Seven per Cents. are only 86. Intelligence and integrity prevail on the one hand, while recklessness and discredit mark the other. We annex the price of State Loans for the past eight weeks.

	May 7th.	14th.	21st.	28th.	June 4th.	11th.	18th.	25th.
U. S. 6 per cents. 1867-'8.....	115½	115	115	115	115	115	115½	115
Ohio 6 per cents. 1886.....	106½	107	107½	106½	104	104½	104	105
Kentucky 6 per cents.....	103½	103½	105½	103½	103½	104	104	106
Indiana 5 per cents.....	87	88½	90	88½	88	90	90	87½
Pennsylvania 5 per cents.....	88	88½	89½	89	89	89½	89½	89½
Virginia 6 per cents.....	92½	92½	93½	92½	93½	93½	95	96
Georgia 6 per cents.....	96	97	97	97	100	100	100	101
California 7 per cents, 1870.....	84	87	87½	85	85½	85½	86	86
North Carolina 6 per cents.....	95	94½	95	94½	95	95½	96½	97½
Missouri 6 per cents.....	83½	84½	84½	83½	84½	85½	87½	87½
Louisiana 6 per cents.....	90	92	93	91½	92	92½	93	94
Tennessee 6 per cents.....	90	90½	90½	90½	90½	80	93	92½

In the London market there is but little inquiry for American securities of any character. The home prices for solid bonds is fully equal to the foreign, and capital is available for such State bonds as are offering. Compared with the close of June, 1857, we find at present an advance in Kentucky Six per Cents., 3½ per cent.; Virginia, 2½; Georgia, 8; North Carolina, 5; Missouri, 4½; Louisiana, 8½; Tennessee, 5½. In Indiana Five per Cents., the present value are 4½ per cent. better; Pennsylvania, 7 per cent. California Seven per Cents. are selling now at 86 a 86½ against 64 a 64½ in June, 1857.

Three new loans of the State of New York to the amount of \$1,800,000 were taken on the 24th inst., bearing five per cent. interest, at rates ranging from 80 cts. to \$3 26 per hundred dollars.

The market for railroad shares is very vacillating. There is a prevailing opinion that a reform in railroad management must take place in order to assure a more uniform remuneration to the shareholder. Competition has driven the rates of fare and transportation in many cases below a compensating point. The public do not demand this. On the contrary, the revenue should be shaped to cover not only running and other current expenses, but a sufficient fund for wear and tear, and also a fair margin of profit for the capitalist. Taking the aggregate railroad capital of the country into consideration (say nine hundred millions of dollars), there is an obvious loss on the whole of over forty per cent., and unless a more reliable policy be adopted and more remunerative fares insisted upon, we fear stockholders will lose still more. We annex a comparison of values for the last eight weeks :

	May 7th.	14th.	21st.	28th.	June 4th.	11th.	18th.	25th.
N. Y. Central R. R. shares,.....	82½	87½	85½	83½	84½	80½	80½	82½
N. Y. & Erie R. R. shares,.....	24½	24½	23½	20½	19½	16½	16½	17½
Harlem R. R. shares,.....	11½	11½	11½	11	11½	11½	—	10
Reading R. R. shares,.....	48½	47½	45½	43	44½	39½	43½	44½
Hudson R. R. shares,.....	30½	30½	30	28½	28½	25½	26	27
Michigan Central R. R. shares,...	64	64½	64	61	60	57	54	54½
Michigan Southern R. R. shares,...	25½	25½	23½	22	22½	21	20½	21½
Panama R. R. shares,.....	107½	109	110	108	108½	108	108	109
Baltimore & Ohio R. R. shares,...	51½	58½	56½	58½	58	56½	57½	56½
Illinois Central R. R. shares,.....	93	90½	90	82½	89	87½	83½	82½
Cleveland and Toledo R. R.	44	43½	42½	37½	35½	34½	32½	32½
Chicago and Rock Island R. R.	78½	78½	75½	73	74½	72½	70½	72½
Milwaukee and Miss. R. R.	30½	29½	29½	27½	26	19½	20	21
Galena & Chicago R. R. shares,...	89½	89½	89½	86	87½	84½	83½	84
La Crosse & Milwaukee R. R.	—	8½	8½	8½	6½	6½	6½	6½

Compared with market values at the end of June, 1857, we find a decline in New York Central shares, 1½; New York and Erie, 13; Reading, 27; Michigan Southern, 24; Illinois Central, 55; Cleveland and Toledo, 25; Chicago and Rock Island, 20; Milwaukee and Mississippi, 41. These are certainly extraordinary changes, and show that a radical reform in railroad management is necessary, with a view to the interests of shareholders and bondholders.

Railroad Bonds.—While railroad shares have become a mere drug in the market, and confidence in improvement has lessened, we find a marked decline as to their bonds. This decline is not warranted by the quotations of railroad shares. If the latter have any intrinsic value, the bonds should command par, or something approaching it. Out of a list of seventy or eighty varieties of railroad bonds, we find only two or three commanding a premium. Compared with the end of June, 1857, we find a decline in Erie second mortgages, 2 per cent. Sinking fund bonds have declined from 86 to 32½. Convertibles of 1871, from 72 to 32½. Illinois Central Sevens, from 97 to 85. On the other hand, Hudson River first mortgages have advanced from 98 to 102½, and New York Central Sixes, from 84 to 89½. As to coal shares, Delaware and Hudson have declined from 116 to 92; Pennsylvania Coal Co., from 92 to 74½. We annex the closing prices of Miscellaneous Securities for the past four weeks :

	May 7th.	14th.	21st.	28th.	June 4th.	11th.	18th.	25th.
Erie Railroad 7s, 1859,.....	92	92½	92½	92	92	92½	93	93
Erie bonds, 75,.....	46	45	45	44	44	40	31	32½
Erie Convertibles, 1871,.....	40	41½	41½	41	40½	37	32	32½
Hudson River Railroad, 1st mort.	99½	101	101½	101½	101½	102	102½	102½
Panama Railroad bonds,.....	105	105	105	105	100	108	108	88
Illinois Central 7s,.....	89½	89½	89½	88	87½	87	85	85
New York Central 6s,.....	87½	88	88½	88½	89	89½	89½	89½
Canton Co. shares,.....	21½	21½	21	19½	19½	—	18½	—
Pennsylvania Coal Co.,.....	71½	72½	73	72	72	73½	74	74½
Cumberland Coal Co.,.....	17½	17	16½	14½	15	—	—	—
Del. and Hudson Canal Co.,.....	105	105½	106	105	108	97½	98	98
La Crosse Land Grants,.....	81	31½	34½	82½	32½	31½	29½	33½
Pacific Mail Steamship Co.,.....	81½	67	70½	69	70½	72½	77	78½

The Commissioners of the Sinking Fund awarded the Ohio State Loan of \$500,000 at six per cent., as follows:

Norwich Savings Society,.....	\$200,000 at 1 10 to 1 1/2 p. c. prem.
Thompson Bros.,.....	150,000 at 51-100 "
E. R. Boyle,.....	150,000 at 1/2 "

If we examine into the financial and working condition of the roads in Michigan, Illinois, Wisconsin, Iowa and Missouri, the results are about as disheartening (to shareholders and bondholders) as in Ohio and Indiana. The following summary will show the amount of capital expended on these lines and the number of miles in operation:

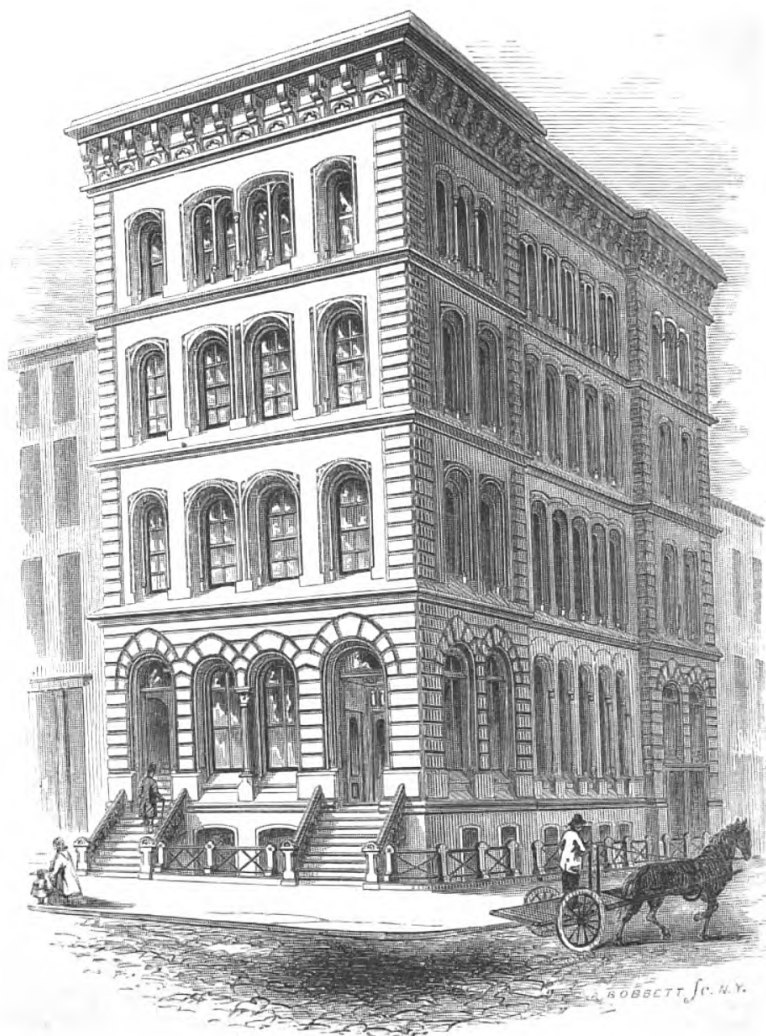
	No. of Companies.	Miles in Operation.	Cost.
Ohio,	29	2,800	\$106,043,000
Illinois,.....	18	2,600	86,446,000
Michigan,	5	1,000	30,390,000
Indiana,.....	16	1,250	20,800,000
Wisconsin,.....	10	718	19,300,000
Missouri,.....	4	320	19,140,000
Iowa,.....	7	256	9,028,000
Total,.....	89	8,944	\$291,207,000

The banking returns for New York show an expansion in loans during the past two months of nearly eight millions of dollars, being somewhat larger than the aggregates of June, 1857. We annex the leading items for the past year:

1857-'8.	Loans.	Circulation.	Deposits.	Sub-Treasury.	Bank Specie.	Total Specie.
Jan. 3,	\$109,149,000	\$8,602,000	\$95,846,000	\$11,430,000	\$11,172,200	\$22,602,300
Feb. 7,	112,876,000	8,426,000	96,029,000	13,618,000	11,143,800	24,761,800
March 7,	111,899,000	8,465,000	95,858,000	15,189,300	11,707,300	26,896,600
April 11,	115,374,000	8,787,000	96,518,000	15,174,800	10,884,400	26,059,200
May 2,	114,409,000	9,006,000	99,159,000	14,408,100	12,009,900	26,418,000
June 6,	115,338,000	8,838,000	96,594,000	12,431,000	13,134,700	25,565,700
July 3,	115,044,000	8,901,000	98,834,000	10,317,000	12,837,300	23,154,300
Aug. 1,	120,597,000	8,665,000	94,445,000	12,161,600	12,918,000	25,079,600
Sept. 5,	112,221,000	8,673,000	79,491,000	11,678,200	10,227,900	21,896,100
Oct. 3,	105,935,000	7,916,000	67,978,000	7,748,200	11,400,400	19,148,600
Nov. 7,	95,866,000	6,434,000	58,424,000	5,407,500	16,492,100	21,899,600
Dec. 5,	96,333,000	6,555,000	78,492,000	3,986,400	26,069,800	30,036,200
Jan. 2,	98,549,900	6,490,400	78,635,200	3,259,300	28,561,900	31,821,200
Jan. 30,	102,180,000	6,369,600	83,997,000	3,282,500	31,273,000	34,561,500
Feb. 6,	103,602,900	6,873,000	86,000,400	3,168,700	30,652,900	33,821,600
Mar. 6,	105,021,863	6,854,624	90,382,446	2,996,700	32,739,700	35,736,400
April 3,	110,588,354	7,232,332	93,589,149	5,548,000	31,530,000	37,078,000
April 24,	111,003,476	7,140,851	95,340,344	3,695,000	34,113,800	37,808,806
May 1,	111,868,456	7,431,814	98,438,506	3,145,400	35,064,200	38,209,600
May 8,	112,741,955	7,785,056	101,165,806	2,874,200	35,453,100	38,327,300
May 15,	114,119,288	7,502,975	101,824,163	6,853,500	34,730,700	41,584,200
May 22,	115,658,082	7,307,445	101,917,869	5,566,300	34,047,400	39,613,700
May 29,	116,650,943	7,252,616	99,351,901	6,398,500	31,496,100	37,894,600
June 5,	116,424,597	7,548,830	101,489,535	5,263,300	32,790,300	38,053,600
June 12,	116,022,152	7,367,725	100,787,093	4,803,609	33,367,200	38,170,900
June 19,	117,797,547	7,297,631	102,149,470	7,685,900	32,396,500	40,082,400
June 26,	118,885,869	7,218,020	102,868,994	7,461,600	31,831,800	39,293,400

Secretary Cobb gives notice that proposals for ten million dollars of the government loan authorized by the late act of Congress, will be received by the Treasury Department until the 9th of August. The stock will bear interest at the rate of five per cent. per annum, payable on the 1st of January and July, and the principal will be reimbursed in fifteen years from the 1st of January next. No bid will be received below par, nor for any fraction of one thousand dollars, and all bids must be unconditional, and without reference to the bids of others. One per cent. of the amount bid for must be placed in one of the depositories of the United States. The payments on the accepted bids must be made on or before September next.

Bank Architecture.



AMERICAN EXCHANGE BANK.

*Corner of Broadway and Cedar Street,
NEW YORK CITY.*

Erected 1857—8.

Engraved and Printed for The Bankers Magazine and Statistical Register.

THE
BANKERS' MAGAZINE,
AND
Statistical Register.

VOL. VIII. NEW SERIES.

AUGUST, 1858.

No. 2.

ON THE INCREASE OF THE PRECIOUS METALS,
AND THEIR EFFECTS UPON PRICES.

THE extraordinary yearly increase in the stock of precious metals since the year 1848, has attracted the attention of economists more generally than any previous change in the *causes* of general prosperity; and this, and the investigation and solution of the future effect of this great increase of precious metals, are undoubtedly the most intricate and important problems that have been offered to the economist of the present century.

Without attempting an elaborate solution of this question, we propose to give some statistics and arguments that will show the changes in, and present condition of, the metallic currency of the world, and also the effect of the increase of precious metals upon trade and industry. The first speculations and opinions respecting the probable effect of an increase of precious metals, after the discoveries of the mines of California and Australia, have not been entirely realized. Among the first of these were: depreciation in the value of gold; a marked change in the relative value of gold and silver; a decrease in the rate of interest, and in the value of annuities and fixed incomes. In consequence of the prevailing belief in the change in the relative values of gold and silver, Holland in 1849 made silver the monetary standard and legal tender of that country.

In 1851 Congress made an opposite change, by enacting that our new silver coins should not be legal tender for sums over five dollars, thereby practically making gold the standard. In addition to these alterations, Great Britain and France also practically made gold their currency standard. The other changes that were foretold as consequences of an increase

in precious metals, have only partially taken place. The degree of these changes we shall endeavor to show, by giving a statement of the increase in precious metals, and the corresponding increase in prices, leaving the facts to prove their dependence.

The productions and total amounts of gold and silver in existence in the periods of 1492, 1803, 1848, and 1857, in Europe and America, are shown by the following figures :

	<i>Silver, Dollars.</i>	<i>Gold, Dollars.</i>
Production of Gold and Silver in America, from 1492 to 1848.....	5,400,000,000	2,165,000,000
Production in Europe and Africa, from 1492 to 1848.....	450,000,000	850,000,000
Quantity in existence previous to 1492.....	140,000,000	60,000,000
Aggregate in 1848.....	5,990,000,000	3,075,000,000
Deduct for wear, losses, and exports to Asia.....	1,990,000,000	275,000,000
Quantity of Gold and Silver in Europe and America in 1848.....	4,000,000,000	2,800,000,000

These results are the same as obtained by Tooke, in his History of Prices, vol. VI., from careful collation of the best authorities.

The foregoing statement shows that in 1848 there were existing in various forms, in Europe and America :

2,800 millions of dollars in Gold,
4,000 do. do. Silver.

In 1803 there were in Europe and America the following amounts :

1,770 millions in Gold,
3,190 do. Silver.

So that the increase from 1803 to 1848, was :

Gold, 58 per cent.
Silver, 25 do.

That is, the addition to the amount of gold in use from 1803 to 1848 was 1,030 millions of dollars ; and the addition to the stock of silver in the same period was 810 millions of dollars.

The total annual productions of gold and silver in the years 1800 and 1848 are generally estimated as follows :

Estimate Statement of the Total Annual Production of Gold and Silver in all Parts of the World.

THE PRODUCE OF	SILVER.		GOLD.	
	1800. <i>Dollars.</i>	1848. <i>Dollars.</i>	1800. <i>Dollars.</i>	1848. <i>Dollars.</i>
North and South America....	35,000,000	81,000,000	9,600,000	10,500,000
Europe, except Russia.....	2,800,000	6,600,000	750,000	1,800,000
Russia.....	1,000,000	1,000,000	500,000	20,500,000
Africa.....	.....	.....	1,400,000	2,750,000
Other Sources.....	500,000	5,000,000	4,150,000	15,000,000
Total Produce.....	39,300,000	43,600,000	16,400,000	50,550,000

From carefully collated authorities, it appears that the production of gold from 1492 to 1848, added to the quantity in use in 1491, was 3,074

millions; and of this only one eleventh part, or 275 millions, had disappeared in consequence of loss, wear, and exports to Asia, etc. The quantity of silver produced in the same period, added to the quantity in use in 1492, was 5,990 millions of dollars, and of this 1,990 millions, or one-third, had disappeared in 1848, from the operation of the same causes. It therefore appears from these proportions that silver disappears from commercial countries four times more rapidly than gold.

The following are some of the principal changes shown by this statement. The annual production of gold was three times as great in 1848 as in 1800. In the same time the increase in the production of silver was very small. In 1800, the annual production of gold was only equal to 93-10,000 of the total quantity or stock. In 1848, the production had risen to 180-10,000 of the stock. Correspondingly, the annual production of silver fell from 123-10,000 in 1800, to 110-10,000 in 1848. However, it appears in 1856, the annual production of silver had increased to 155-10,000, or from \$12,500,000 to \$60,000,000.

We have now to consider the increase in the annual production, and the increase in the stock of gold and silver in the year 1857. The increase is of course almost entirely from California and Australia. The chief production in the latter country is in the colony of Victoria. To show the amounts and the comparative production in the two countries, we give the following exhibits:

Production of Gold in California and Victoria.

<i>Years.</i>	<i>California.</i>	<i>Victoria.</i>
1851.....	\$42,582,695.....	\$ 2,083,060
1852.....	46,586,134.....	41,734,380
1853.....	57,331,024.....	42,792,260
1854.....	51,328,653.....	36,628,680
1855.....	43,080,211.....	43,898,820
1856.....	48,887,543.....	52,886,740
1857.....	48,976,207.....	49,673,820
Total.....	\$338,712,467.....	\$269,697,760

This leaves a balance in favor of California of \$69,074,707. The Australian gold is estimated at a far higher rate of fineness than that of our own country, viz., at \$20 the ounce.

This is probably a higher value than it will justly bear, and, therefore, whatever may be the amount of the over-estimate, it increases the balance in favor of California.

From accurate statistics it appears that the total production of gold and silver from 1848 to 1857 was:

	<i>Silver Dollars.</i>	<i>Gold Dollars.</i>
Quantity in Europe and America in 1848.....	550,000,000	993,000,000
Aggregate.....	4,000,000,000	2,800,000,000
Deduct for export to Asia, wear and loss, 8 per cent. for silver, and 3 per cent. for gold.....	4,550,000,000	3,793,000,000
Quantity in Europe and America in 1857.....	364,000,000	114,000,000
	4,186,000,000	3,679,000,000

or, taking the percentage, the increase in silver since 1848 has been nearly five per cent., and the corresponding increase in gold has been over thirty per cent.

If now we give the changes in price during a corresponding period, we shall find that the increase is even greater than the increase in the quantity of gold. It has, we know, been remarked by many writers, and among them Tooke and Newmarch, that the increase in prices can be satisfactorily accounted for by other causes than the increase in precious metals—such as poor harvests, wars, and the augmentation of trade, &c. These, however, are only secondary causes, and some of them, as the increase in trade and general prosperity, only to be accounted for by going to the main cause—namely, the increase in precious metals. To exhibit the increase in prices since the quantity of gold was affected by the production of California and Australia, which was about the year 1851, until last year, we give the following statistics, showing the comparative prices of various articles of trade in the English markets :

ARTICLES.	Jan., 1851.	Jan., 1854.	Jan., 1857.	<i>Increase per cent, between 1851 and 1857.</i>
Coffee, cwt.....	s. 53 a 58	s. 53 a 60	s. 58 a 67	09
Sugar, "	26 a 28	21 a 65	36 a 40	38
Rum, Jamaica.....	26 a 32	42 a 46	44 a 46	69
Tobacco, lb.....	4½ a 10	2½ a 8	8 a 11	77
Butter, cwt.....	78 a 80	104 a	112 a	43
Beef (8 lbs).....	28 a 30	42 a 46	40 a 46	43
" Prime.....	32 a 36	48 a 50	48 a 50	50
Mutton, cwt.....	34 a 42	48 a 54	48 a 52	41
" Prime, "	44 a 46	50 a 52	54 a 58	23
Pork, "	30 a 42	42 a 44	44 a 52	7
Silk, raw, lbs.....	9 a 17	12½ a 16½	16 a 25	77
Flax, ton	38 a 46	35 a 52	52 a	37
Wool, 240.....	£14 a	15½ a 16	37 a	150
Logwood, cwt.....	70 a 80	110 a	110 a	50
Seal oil.....	£37 a	43 a	50 a	33
Olive oil.....	43 a	63 a	61 a	42
Palm oil.....	29 a	43 a	47 a	62
Tallow.....	36½ a	60 a	62 a	72
Leather, lbs.....	12 a 23	15 a 20	24 a 31	100
Saltpetre, cwt.....	27½ a 29½	27 a 31	37 a 46	36
Pearl Ashes.....	30½ a 31	29 a	45 a	50
Copper, ton.....	£84 a	126 a	135 a	60
Iron, ton.....	5½ a 6	9½ a	9 a	56
" Swedish.....	11½ a	12½ a	15 a	33
Lead, ton	17½ a	23½ a	23 a	31
Steel, Swedish.....	15 a	17½ a	20 a	33
Tin, ton.....	84 a	126 a	143 a	70

We see from this average percentage of the increase in price, that it is greater than the percentage of the increase of the quantity of gold. This may be ascribed to an insufficient average of prices, showing too great an advance, and to the effect of other causes than the increase of precious metals, namely, bad crops, succession of wars, etc. Enough, however, is shown to demonstrate the general relation of cause and effect between the increase in the quantity of gold and the general increase in prices. We do not intend to assert that an increase in prices follows in a direct ratio to the increase of gold, so that doubling the quantity of gold would double prices: only that there exists a general law of dependence.

The growth of trade and the industrial pursuits, since the discovery of the California mines, are sufficient proof of the direct beneficial effect upon our prosperity of the increase in the precious metals. Whether this will

continue, or whether the stock of gold and silver is sufficient for the purposes of currency, and that hereafter the only effect of an increase will be in a corresponding increase in price, is a problem only to be solved by time. If, however, the other countries of Europe and America should follow the example of England, France, and the United States, and make gold practically the standard, the production of gold will not greatly exceed the demand, or the growth in population, trade and wants of the world.

The annual net increase of gold, after making due allowances for loss, hoarding, wear, etc., is about four per cent. of the total quantity in existence in Europe and America. The average annual increase in population and trade in these two continents is not at present over two per cent., and is probably even less; so that the difference shows the real proportional increase of metallic currency, or that in round numbers our stock of gold will probably double in proportion to the population and trade in the next fifty years.

THE ROYAL BRITISH BANK CASE.

The recent case of the Royal British Bank is one of the most important banking cases on record; important as a precedent, and one that should be familiar to bank officers and to bank directors generally. Having in view this obvious bearing upon commercial and banking interests, we publish in full the proceedings of the trial of the ex-directors of the Royal British Bank before Lord Campbell, in February last.

(ED. B. M.)

COURT OF QUEEN'S BENCH, GUILDHALL, FEB. 27.

Sittings at Nisi Prius, before Lord Campbell and a Special Jury.

THE QUEEN *v.* BROWN AND OTHERS.—This was an information filed by the late Attorney-General, Sir R. Bethell, charging certain directors of the Royal British Bank—viz., Humphrey Brown, Edward Esdaile, Henry Dunning Macleod, Loran de Wolfe Cochran, Richard Hartley Kennedy, William Daniel Owen, John Stapleton, and also the general manager, Hugh Innes Cameron—with conspiring by false representations to defraud the shareholders and customers and the public.

The trial began on the 13th February, 1858, and was brought to a close at a late hour this evening, after having occupied thirteen days, for about eight hours each day. During the first eight days, the case on the part of the Crown was conducted by Sir F. Thesiger; but that gentleman having in the mean time been raised to the dignity of Lord High Chancellor, the conduct of the prosecution during the remaining five days devolved on Mr. Atherton.

Mr. Atherton, Q. C., Mr. Sergeant Ballantine, Mr. Welsby, and Mr. Joseph Brown, appeared on the part of the Crown; Mr. Huddleston, Q. C., Mr. C. R. Kennedy, and Mr. Bell, for Brown; Mr. Edwin James, Q. C., and Mr. Aspland for Esdaile; Mr. Lawrence, for Macleod; Cochran, who had not pleaded, did not appear; Mr. Serjeant Shee, Mr. D. D. Keane, and Mr. Jacobs, appeared for Kennedy; Mr. Slade, Q. C., for Owen; Sir F.

Kelly (the Attorney-General), Mr. Bovill, Q. C., and Mr. Coleridge, for Stapleton; and Mr. Digby Seymour and Mr. Bennett for Cameron.

As the information was referred to by Lord Campbell in his summing up, we may as well state here that the first count charged a conspiracy to publish and represent to such of the shareholders as were ignorant, &c., that the bank and its affairs had been during the half year ending the 31st of December, 1855, and then were, in a sound and prosperous condition, producing profits divisible, &c., the defendants well knowing the contrary, &c., with intent to deceive and defraud such of the shareholders as were not aware of the true state of its affairs, and to induce them to continue to hold shares therein, and to become or continue customers and creditors of the bank. The count then set out the following overt acts:

"1st Overt Act.—Publishing a false report for the half year to December 31, 1855, declaring a dividend of 6 per cent., and that new shares would be issued at a premium.

"2d Overt Act.—Issuing new shares, knowing the bank to be in a failing condition.

"3d Overt Act.—Publishing a false balance-sheet for the year; false in the amount of assets, in the provision for bad debts, and in the profit and loss account.

"4th Overt Act.—Paying a dividend when no profits were made.

"5th Overt Act.—Buying the bank shares with the bank's money to keep up the price.

"6th Overt Act.—Publishing a circular, September 10, 1855, to the shareholders, to induce them to buy new shares, when the bank was in a failing condition.

"7th Overt Act.—Publishing an advertisement inviting persons to open accounts when the bank was approaching insolvency.

"8th Overt Act.—Publishing an issue of 2,000 more shares when the bank was failing.

"The 2d count charged a similar conspiracy against customers and creditors of the bank, and contained seven overt acts similar to numbers 1 to 7 in the 1st count.

"The 3d count charged a similar conspiracy against the Queen's subjects generally. The overt acts were the same as in the 1st count.

"The 4th count charged a conspiracy to cheat and defraud such of the shareholders as were ignorant of the true state of the bank, by inducing them, by false pretences, to purchase and hold additional shares in the bank, the defendants knowing the bank to be in a bad and dangerous condition and approaching insolvency, and that the shares were unsafe and might be ruinous to the holders. The overt acts were the same as Nos. 1 to 5 in the 1st count.

"The 5th count charged a similar conspiracy against the Queen's subjects generally. The overt acts were the same as Nos. 4, 5, and 7 in the 1st count.

"The 6th and last count charged a general conspiracy to cheat and defraud John Arundel, and several other persons named, of their money."

At the sitting of the Court this morning, Lord Campbell proceeded to sum up the evidence. His lordship said:

Gentlemen of the Jury—The anxious task now devolves upon me of summing up in this very important case; and I say it most unaffectedly, my anxiety is greatly diminished when I consider the character and qualifications of the gentlemen whom I have now to address. If it had been my duty to try this case in the country, at the assizes, before country gentlemen and farmers, I should have been much more embarrassed. I should probably have known more than the jury, and it would have been my difficult and anxious task to try to communicate information to them on matters of which they would be ignorant. But, gentlemen, you know much more of this subject than I do; and it is a satisfaction to me that you are so well qualified, and that justice is sure to be done by your verdict. During this long and laborious trial (and we have now arrived at the 13th day), you have devotedly attended to the evidence, and it seems to me that you thoroughly understand it. My task is, therefore, comparatively a light one, and I shall only feel it my duty to state the questions of law which may arise, and to direct your attention to what I consider to be the principal questions for your determination. It was my fate, gentlemen, in another case, to be occupied two days in summing up; and justice so required; and if I thought that I could at all assist you by going through the whole of my notes, page by page, I would not spare myself the labor of completing that task. But I think that on this occasion, instead of assisting you, such a course would rather perplex you, and that I shall best discharge my duty by bringing before you a few plain points, and stating the questions which you will have to consider. Gentlemen, this information was filed by the late Attorney-General (Sir R. Bethell), a gentleman of great learning and high honor, who filled the office of Attorney-General with great distinction; and, whatever may be the event of this prosecution, no one can ascribe the smallest blame to him for the course which he adopted. After the failure of the Royal British Bank, and the ruin and scandal which it caused, it became essentially necessary that an inquiry should take place, and he has put the defendants upon their trial. This is an *ex officio* information. Generally speaking, before a person can be put upon his trial in England, there must be a bill of indictment found by a grand jury, and so it is universally as to felony and high treason. But in regard to misdemeanors, the Attorney-General has the right *ex officio* to file an information. This is an ancient and undoubted prerogative, and quite constitutional and beneficial; and I have heard no complaint on the part of the counsel for the defendants of the course which has been adopted. Gentlemen, this information charges, in the first count, that the defendants conspired together to represent to the shareholders, that the Royal British Bank and its affairs had been during the half-year ended the 31st of December, 1855, and then were, in a sound and prosperous condition, producing profits divisible among the shareholders, they well knowing the contrary, with intent to deceive and defraud the shareholders, customers, and creditors of the bank. This is the conspiracy charged. Then there are several overt acts alleged, the principal of which are the report of the directors to the shareholders of the state of the bank on the 31st of December, 1855, the issuing of new shares, the balance-sheet, of which you have heard so much, which professes to give a true account of the condition of the bank at that time, showing they could give a dividend of 6 per cent. out of the supposed profits, buying the bank shares with the bank's money for the purpose of keeping up the deceit, &c. It has al-

ready been stated that by the law of England the crime of conspiracy may be completed without any overt acts committed ; but it has been properly stated by the learned counsel (Mr. Atherton) who has latterly so very ably conducted the prosecution, that the overt acts are properly to be looked to, because from them the jury may draw an inference as to the object of the conspiracy. With regard to conspiracy, it is not essential that evidence should be given of any formal consultation, in which the parties are supposed to have deliberately resolved to do an illegal act, or to do a legal act by illegal means ; but if, as reasonable men, you see there was a common design, and they were acting in concert to do what is wrong, that is evidence from which a jury may suppose that a conspiracy was actually formed. Now, gentlemen, the manner in which it was proposed to show that there was a conspiracy in this case was, first, to show that the bank was in a state of insolvency at the end of the year 1855 and beginning of 1856 ; secondly, that this was known to the defendants ; and thirdly, that knowing that, they entered into the design to represent that the bank was then in a flourishing condition, for the purpose of deceiving those who were shareholders, or the public who might wish to become shareholders. It is for you to say whether, on the part of the prosecution, they have established those three points. I must caution you against supposing that, if one or several have done what was improper, that will establish the charge against them. For instance, if they went on after the "reserve fund" was exhausted, that alone will not establish the charge. The charge is, that they conspired to misrepresent the actual state of the bank for the purpose of deceiving the shareholders, and to establish that there must be a joint design, a joint combination, and conspiracy. In addressing you, I shall first call your attention to whether there has generally been such a conspiracy as is alleged on the part of the Crown ; and then I will draw your attention particularly to the cases of the different defendants. I have already (in the course of the trial) had occasion to advert to the fact that there is considerable difference with regard to the evidence against the several defendants, to which you have attended in so exemplary a manner, and it will be your duty to distinguish between them. The great point is what was the real state of the bank on the 31st of December, 1855 ? According to the balance-sheet published by the directors to the proprietors on the 1st of February, 1856, it was in a very flourishing condition. You have all copies of the report and balance-sheet, and it is essential that you should continue to look at them. If that balance-sheet be true, the case for the prosecution fails altogether ; for on the part of the prosecution they undertake to prove that it is false and fraudulent, and particularly that it takes credit for a number of debts absolutely desperate, so as entirely to misrepresent the actual condition of the bank. There was notice given on the part of the Crown to the defendants of a great number of debts, but they are now confined to a certain number, which we have been engaged many days in investigating. I did not complain of that, but the exact amount of the debts was not material, nor the manner in which they were incurred, for we were not trying the directors for improvidently allowing those with whom they were dealing to incur debts. We are to examine what was the condition of the bank at the time to which I have referred. I shall, therefore, spare you the history of the Welsh mines, and shall say nothing about Swift and Dümmler, and the other parties of whom we have heard

so much; for though the directors should be blamed for entering into those mining adventures, that would not support this charge unless it contributed to the insolvency which they desired to conceal and deceive the shareholders. The first debt to which I shall call your attention is the sum advanced upon the Welsh works, under various heads, amounting to an aggregate of 108,003*l.* 2*s.* 5*d.* Now, gentlemen, there was some security for these advances—viz., the mines; but these mines, at the highest estimate, could not have been worth more than half that sum, for in the month of June, 1854, when the directors put them up to auction, they fixed a reserved bidding at 60,000*l.* They were finally sold for 6,000*l.*; but that ought not to be taken as the value of the security at the time. The next debt was the sum of 8,600*l.* due by Harrison and other parties connected with the Islington Cattle Market Company. You recollect that every attempt was made to recover that amount, but the debt turned out to be utterly hopeless; as did De Tape's debt of 1,193*l.* 18*s.* 4*d.* Then came the debt arising out of the advances made to Mullins, who is dead; and I wish that nothing but what is good could be said of the dead; but I am afraid that all parties concur in throwing just blame upon him. There is no doubt that advances were made to him, which, with the interest, amounted to 11,172*l.* 2*s.* 10*d.*; but he died insolvent, and that debt is totally lost. Then we investigated the advances made to Humphrey Brown; but I do not think we are in a situation to know exactly the value of the securities which he gave to the bank for the advances which were made to him, amounting altogether to 74,437*l.* 3*s.* 1*d.* But though we do not know the exact value of the ships which he mortgaged to the bank, the value must be taken at the price which they would fetch at the time, and before the value of shipping had fallen 40 per cent., as it did afterwards. It was said by the prosecution that the highest value was 48,000*l.*, and that a loss at least of 36,000*l.* was thus occasioned. But this is a question entirely for you. His lordship here observed in favor of Brown, that he thought there was but little ground for saying that Brown had deceived the bank as to the value of his securities. Then there was the alleged loss on Oliver's debt, amounting to 14,162*l.* 4*s.* 5*d.*; but, although he (Oliver) became insolvent, and paid scarcely any thing in the pound (5*s.*), there were other names on his bills, and how much they had paid into the bank you are not fully informed. Then comes McGregor, another director, who received advances to the extent of 7,369*l.* 8*s.* 3*d.* He gave as security, some policies, one of which realized 1,181*l.* 18*s.*; and some shares in various companies which were worthless, so that upon his debt there was a loss of about 6,000*l.* Next comes Blacker's debt of 4,513*l.* 0*s.* 2*d.* He had forged the names of the acceptors to a number of bills which had been discounted by the bank, and therefore he was the only person liable upon them; but he fled the country, and the bills in point of law and value were utterly worthless. Then comes the debt of Gwynne, another director, amounting to 13,415*l.* 19*s.* 11*d.* He had deposited some shares in a company, but the debt is entirely lost. Then comes Cochran, another director, whose debt amounted to 9,503*l.* 3*s.* 5*d.* He is one of the defendants on this record, but he has fled the country, so his debt is entirely lost. Then there is the debt of Cameron, the general manager, which amounted to 23,896*l.* 12*s.* 7*d.*; but the value of his security is not yet well ascertained. There is evidence that he has property

at Dingwall, which can be sold for 40 years' purchase ; but it is impossible to tell how much it may produce. And yet, gentlemen, all these sums were taken into account, and credit is taken for them in the balance-sheet to December 31, 1855. In addition to this, it appeared from the books of the bank that there was a sum of 42,000*l.* owing upon past due bills, upon which they had ceased to calculate interest, yet that sum of 42,000*l.* is included in the balance-sheet in the "assets" of the bank. You, gentlemen, will form your own opinion, but it seems to me that in this balance-sheet debts are included which were known to be bad to the extent of at least 100,000*l.* If so, I should think this balance-sheet is a false account. A balance-sheet should give some information to the shareholders as to the state of the bank ; but here credit is taken for 100,000*l.* worth of bad debts, just as if it had been 100,000*l.* invested in the Three per Cents. It is said it is the custom with banks to include bad debts in their balance-sheets as "assets." If so, it is a very strange custom, if there is no reserve fund for paying them. But it is said that there was a "reserve fund" for bad debts. If that had been so, and a proper sum had been reserved, the case would have been different ; but the fund reserved for the payment of bad debts, amounting on the 31st of December, 1855, to 100,000*l.*, was only 339*l.* 1*s.* 7*d.* It seems to me, therefore, that there is strong evidence, but you are to consider it, and form your own opinion, that in this balance-sheet credit was taken for sums for which credit ought not to have been taken, and that this had a certain tendency to impose upon the shareholders. His lordship here read over the evidence given by Mr. Barnard, the cashier of the bank from the commencement in 1849, respecting his examination of the past due bills in April or May, 1855, under the direction of Cameron. According to his calculation, the good bills were 52,584*l.* 4*s.* 5*d.*, the doubtful, 52,976*l.* 15*s.* 8*d.*, and the bad 12,523*l.* 14*s.* 2*d.* ; total, 118,084*l.* 14*s.* 3*d.* Barnard, however, said that Cameron added to the number of bad bills, and made the amount 21,555*l.* His lordship said he thought he ought also to read over the cross-examination of Mr. Barnard, as it was favorable to the directors. It stated in substance that he believed the securities held for the advances made by the bank were sufficient ; that the character of the bills of the bank became better as they went on ; that he believed that both Brown's debt and the securities on the Welsh mines would have been good if the bank had not stopped ; that he believed somebody would get a fortune out of the works yet, as they only wanted capital ; that he himself believed the bank to be solvent till within a short time of the stoppage, and had in consequence advised his friends to take shares, and also refused a more lucrative situation than the one he held in the bank ; that the business of the bank had greatly improved during the last year, and that more than 1,000 new accounts had been opened in the year ending June 30, 1855, &c. His lordship then proceeded to read Crawford's evidence as to the manner in which the balance-sheet was made out by him. The general principle was to state the result of the different books, and giving credit to them that what they stated was true, the balance-sheet would be a true account of the state of the affairs of the bank ; but if those books were wrong the balance-sheet would be a delusion and snare. There could be no doubt that Crawford did his duty in taking out the accounts correctly, and if the materials had been solid, the result would have been unexceptionable. He (Crawford)

prepared three tabular statements of accounts, marked A, B, and C, and gave them to Cameron. The balance-sheet for December 31, 1855, was then made from the balance-sheet of June 30, 1855, by merely altering the figures. This was done by Crawford under Cameron's directions. His lordship observed that, though Cameron was not a director and had no vote at the Board, he was answerable for the manner in which the balance-sheet was made out under his superintendence and by his directions. The jury would say whether it was true or false. The balance-sheet having been first approved by the directors, at a court held in the latter part of January, was laid before the proprietors at a general meeting held on the 1st of February, 1856. It gave a very flattering account of the state of affairs, and it was for the jury to say, looking at the evidence, whether that balance-sheet was true, and justified the directors in their report, in which they declared a dividend of 6 per cent. The balance-sheet showed that there was a "gross balance for the year ended the 31st of December, 1855, after making a provision on account of bad debts, and paying interest (25,320*l.* 8*s.* 3*d.*) on deposits and promissory notes and balances," amounting to 30,551*l.* 2*s.* 7*d.* On the other side, they took credit under the head of "Assets," "By loans on convertible securities for short periods, advances on cash credits, bills discounted," &c., for 986,272*l.* 11*s.* 1*d.* But in that sum of 986,272*l.* 11*s.* 1*d.* there was included the 108,000*l.* advanced on the Welsh Works, the debts of the Islington Cattle-market Company, Mullins, Brown, McGregor, Oliver, Blacker, Gwynne, Cochran, and Cameron. Now, on the 1st of February, upon the occasion when the report and balance-sheet were laid before the general meeting, all the defendants were present. Then they came to a resolution that the report should be adopted, and that there should be a dividend of six per cent. for the half-year. It would be for the jury to say whether the shareholders were not grossly deceived, and whether there was not on the part of the defendants an intention to deceive. There was evidence given of other overt acts, such as the issue of circulars, which would only be wrong in case the defendants knew the bank to be insolvent at the time; but there was also evidence of purchasing the bank shares with the bank's money, which would not be justifiable under any circumstances. After the general meeting the bank went on till the beginning of September, 1856, when the bank stopped. It was then found that there was a deficit of 220,562*l.* 17*s.* 10*d.*, which must fall either upon the shareholders or on the depositors. The jury would now say whether the defendants had this guilty design to deceive the shareholders. If the defendants knew of the insolvency of the bank they ought to be found guilty; but if any of them did not know of its insolvent state the jury ought to acquit them. His lordship then proceeded at great length to comment upon the evidence, as it affected the several defendants. And first, with respect to Cochran, his lordship said he had gone abroad, and therefore the jury might dismiss him from their consideration. His lordship said he would consider the cases of the defendants in a different order from that adopted by the learned counsel (Mr. Atherton), but without saying the principle on which he arranged them. He would take them in this order—Stapleton, Owen, Macleod, Kennedy, Esdaile, Brown, and Cameron. With respect to Stapleton, his lordship thought no blame could attach to the prosecution for including him with the other defendants, because it was most proper that the con-

duct of the whole of them should be examined; nor could he impute any blame to the prosecution for taking the opinion of the jury upon Mr. Stapleton's case; "although," said his lordship, "I must confess that I rather expected after the evidence had been closed, that there might have been an intimation that, so far as Mr. Stapleton was concerned, no sufficient case to be presented to the jury had been established." But it was not for him to interpose, and as there was evidence to go to the jury, they must decide whether Stapleton was guilty or not. His lordship then reminded the jury that Stapleton did not join the bank till the 31st of July, 1856, and that he took no active part in it till his return from Scotland on the 16th of October. His lordship reminded the jury that Stapleton did not join the bank with a view to profit, but because being a barrister, and not meeting with great success, for "the race is not always to the swift, nor the battle to the strong," he wished to be employed. He was recommended to the bank as a flourishing and respectable establishment; and it was admitted by Sir F. Thesiger (now Lord Chancellor), that when he entered it he was in utter ignorance of the state of its affairs. He held 20 shares, which he had tried to dispose of, and the only benefit he derived from the bank was the dividend upon his shares. It was he (Stapleton) who moved for the appointment of a committee on the convertible securities; and though he had thus become acquainted with Brown's debt it was not to be inferred that he really knew the bank to be insolvent. The jury would form their own opinion, but he, Lord Campbell, saw nothing down to the 1st of February, 1856, to show that Stapleton was aware of the insolvency of the bank. It appeared also that so late as August, 1856, only a few days before the bank stopped payment, he wrote a letter to his friend Mr. Alexander Matheson, in which he stated that, although there was a run upon the bank, he believed that if some gentlemen of known wealth would join them public confidence would be restored, and he asked Mr. Matheson whether, if he should be satisfied that the bank was solvent, he would join the board. His lordship here read over the evidence given by Mr. Paddison and the other witnesses, who stated that they had never seen any thing in the conduct of Stapleton that was inconsistent with the highest honor and integrity, and added that if the jury took the same view of Stapleton's case that he did, he (Stapleton) would leave the court without a stain upon his character, and if he should at any time return to his profession as a barrister, his lordship said he should be glad to see him practising in any court over which he presided. The next name was Macleod, and, although there was more evidence against him there was no positive proof. He was not a speculator, nor had he obtained advances from the bank. He purchased a large number of shares, and invested in them the sum of 5,000*l.*, and, instead of speculating with them, he made them the subject of his marriage settlement. He certainly was a director from 1853 down to the stoppage, and if he had gone through the same laborious investigation of the books which had occupied the Court so many days, he might have acquired a knowledge of the insolvency of the bank. His lordship here referred to the excellent character which Macleod had received from the witnesses, particularly from Mr. Bullen, the eminent special pleader, whose pupil Macleod had been. His lordship thought a more serious case was made against Owen, who had been much longer a director; but

he had invested all his savings in the bank and had not derived any benefit from it. An excellent character had also been given to Owen, and his lordship left it to the jury to say whether, under those circumstances, they ought to find him guilty. His lordship then referred to the evidence as it affected Kennedy with great minuteness, and particularly referred to the letter addressed by him to Cameron on the 15th of May, 1855, as showing that even at that time he must have had a strong suspicion as to the insolvency of the bank. The letter ran thus:—

"I cannot but consider the retirement of Mr. Spens as something serious, and requiring a serious course on our part. It occurs at a most unfortunate time, and interrupts the progress I hoped I was making towards strengthening the Board. No man is more deeply interested than yourself (Cameron), and I wish to press this, your personal interest, upon you very emphatically, and to beg you not to allow yourself to be misled by false hope, or deceived by your own wishes, and to give me your professional assistance, taking Crawford and Duncan into council, and, as a result, weighing the 'pro' and 'con' very carefully, to report on the following terms:—

"1. How far are we really compromised by the various untoward occurrences which have befallen the bank, the iron works, Gwynne, McGregor, Mullins, Oliver, &c.

"The real *bona fide* commercial or legal deficit by bad debts and losses generally, and our personal liability to our shareholders, through your last report, as contrasted with the necessity we lay under to communicate such a deficit to them when it attained to 25 per cent. of the capital.

"2. What are our prospects of business to relieve past disasters?

"Do they justify going on, even supposing the charter would warrant our doing so, for as respects an appeal to our shareholders, to state losses, and obtain their acquiescence to relinquish dividend, and whip up to restore lost capital, I should pronounce it at once as simply puerile, and the most certain and ignoble course of official suicide.

"If four good men were to join the board, and the public would subscribe 2,000 more shares, I should have no fear of the future; but this does not appear likely."

Could the jury doubt that when Kennedy wrote that letter he must have entertained the belief that if the true state of affairs were known it would lead to the stoppage of the bank? And yet, after writing that letter in May, 1855, he concurred in the report and balance-sheet presented to the shareholders on the 1st of February, 1856. His lordship also referred to the speech made by Mr. Kennedy at the meeting; and to the discussion which had taken place in the court of directors, in 1855, on the subject of the 71st clause of the charter, which required the directors, in case at any time the losses should exceed one-fourth of the paid-up capital and surplus fund, to convene a meeting of proprietors to dissolve the company. On the other hand there was the fact that he had derived no personal benefit from the bank, and had introduced his family to become shareholders and customers. His lordship then came to the case of Esdaile, the governor of the bank, and observed that he (Esdaile) had derived no benefit from the bank, and had not obtained any money from it; but he was concerned to state that out of his own mouth, he had a knowledge of the true

state of its affairs. His lordship here read a large portion of the deposition made by Esdaile in a proceeding which had been instituted in Chancery under the Winding-up Act, in which that defendant had stated in the most explicit manner his knowledge of the various debts of the bank, and which left no doubt that he must have known that it was in an insolvent state. His lordship also read the letter which Esdaile had written to the deputy-governor, Owen, on the 15th of January, 1856, in these terms :—

“ If you or the general manager cannot satisfy me by personal assurances from each of my co directors that they will support me with their presence and countenance on our forth-coming annual meeting, I shall abstain from entering the court-room again ; and, in that case, you will, if you please, officially place the accompanying notice of my resignation in the hands of the general manager.

“ Our highest policy is to present a solid front to the public ; our weakest conduct is to dangle a rope of sand before them.

“ Believe me, &c.,

“ EDWARD ESDAILE.”

The postscript ran thus :—“ We want courage and coolness, and with God’s blessing our difficulties will be surmounted.”

His lordship then proceeded with the evidence as it affected Brown ; and called upon the jury to dismiss from their minds all prejudice, and to consider him as an innocent man until his guilt was proved. He had borrowed largely from the bank, and, having given securities, he had a strong interest in keeping up the bank as long as possible ; but he was afraid that destruction would come down upon it and him, if strong measures were not taken. His lordship here read a long letter which Brown had written on the subject of his debt to the bank, in which he complained of the course the directors were taking to realize his securities, particularly referring to the advances made on the Welsh works and other bad debts which the bank had made. His lordship also referred to the statement made by Brown in the court of directors in the year 1855, when he said that, one-fourth of the paid-up capital and reserve fund being lost, it was their duty to convene a meeting under the 71st clause of the charter to dissolve the company, and that if they went on any longer they would do so on their own personal responsibility. His lordship then came to the case of Cameron, who, he said, had borne a high character, but it appeared he was a sanguine man, and hoped that the bank would become a valuable establishment. It would be for the jury to say whether, being disappointed in that hope, he had not resorted to unworthy means, and become a party in a scheme for deceiving the shareholders. The bank commenced with a small capital, less than 50,000*l.*, and it soon got into difficulties. The jury would say whether it was not contrived that there should be a series of balance-sheets to deceive the public, to conceal the loss which had been sustained, to make it appear a flourishing concern, and to draw in purchasers of new shares. The balance-sheet and report were prepared under the direction of Cameron, and the jury would say whether the directors and Cameron were not acquainted with the real state of the bank’s affairs. It would be for them to say whether any two or more of the defendants were guilty ; and though it would be a great satisfaction to him if they could say

they were not guilty, he (Lord Campbell) was sure they would not shrink from their duty, but would give a verdict which would be satisfactory to their consciences and to the country. His lordship concluded by advising the jury to retire.

His lordship did not conclude his summing up till 2 minutes past 4 o'clock. The jury then retired to consider their verdict, and at 6 o'clock they returned into court. The Foreman said the jury were unanimous to find three of the defendants guilty, and eleven of the jury had agreed to find them all guilty, but he (the foreman) dissented from the latter verdict.

Lord Campbell said that the verdict of the jury must be unanimous. The jury must retire and reconsider their verdict. His lordship then observed that he did not know whether a *nolle prosequi* could be entered as to the other four defendants.

Mr. Kennedy (for Brown) opposed that, and said it could not be.

Mr. Atherton said that in the discharge of his duty he could not consent to that.

Lord Campbell said he did not know that that course could be adopted, and directed the jury to withdraw and reconsider their verdict.

In answer to a question from a jurymen, Lord Campbell said that before convicting any one of the defendants, the jury must be persuaded that he was acquainted with the insolvency of the bank, and knew that the balance-sheet was not a true representation of the state of its affairs.

The jury then again retired, and after some time they sent for Kennedy's letter to Cameron, of the 15th of May, 1855. The letter was sent to them by Lord Campbell's directions, and at a few minutes past 8 they returned into court.

The foreman then said that they found all the defendants *Guilty*; but strongly recommended four of them, viz., Stapleton, Kennedy, Owen, and Macleod, to the mercy of the Court.

LORD CAMPBELL.—Mr. Atherton, do you pray judgment? I am prepared to deliver judgment.

MR. ATHERTON.—As your lordship is prepared, I pray judgment.

LORD CAMPBELL.—Perhaps it will be better if I take till Monday morning.

Mr. Serjeant Shee said the defendants could then submit affidavits.

Mr. Kennedy said he wished to move for a new trial.

Upon that Lord Campbell said he would pronounce judgment at once; and the defendants were all called to take their places on the floor of the court.

Lord Campbell said, I shall first pass sentence upon you, Humphrey Brown, Edward Esdaile, and Hugh Innes Cameron. After a long and, I hope, impartial trial, you have been convicted by a jury of your country, upon the clearest evidence, of an infamous crime. You were charged with conspiring to deceive and defraud the shareholders of the bank to which you belonged, by false representations, and it is clear that you did so. I acquit you of having originated this bank with the fraudulent intent to cheat the public; but it is now demonstrated that for years you have carried on a system of deliberate fraud, and fabricated documents for the purpose of deceiving the public, for your own direct or indirect benefit. It would be a disgrace to the law of any country if this were not a crime to be punished. It is not a mere breach of contract with the shareholders or

customers of the bank ; but it is a criminal conspiracy to do what inevitably leads to great public mischief, in the ruin of families, and reducing the widow and orphan from affluence to destitution. I regret to say that in mitigation of your offence it was said that it was a common practice. Unfortunately, a laxity has been introduced into certain commercial dealings, not from any defect in the law, but from the law not being put in force ; and practices have been adopted, without bringing a consciousness of shame, and I fear without much loss of character among those with whom they associate. It was time a stop should be put to such a system ; and this information was properly filed by Her Majesty's Attorney-General, and the jury have properly found you guilty. I hope it will now be known that such practices are illegal, and will not only give rise to punishment, but that no length of investigation, no intricacies of accounts, and no devices, will be able to shield such practices. On account of this being the first prosecution of this nature, I pronounce a milder sentence than I otherwise should ; but the mildest sentence that I can pronounce upon you, Humphrey Brown, Edward Esdaile, and Hugh Innes Cameron, is that you be imprisoned in the Queen's Prison for one year.

Richard Hartley Kennedy, the jury have recommended you to mercy, and I think there are grounds which justified them in coming to that conclusion ; but still there is strong evidence against you. That paper for which the jury sent shows that, though you were a respectable member of society, and filled creditably the office of sheriff, you lent yourself to this deception. You did not derive any personal advantage from it, but it is clear to my mind that when you joined in that last report you were fully aware that the bank was insolvent, and you knew it to be false. The lightest sentence I can give you is nine months' imprisonment in the Queen's Prison.

William Daniel Owen, the jury have found that you also had a guilty knowledge of the insolvency of the bank when you concurred in that report and balance-sheet, and I cannot say they were wrong, for you had long been a director, and had ample means of information, and several papers read show that. Therefore, though I think you are less guilty, you must be imprisoned for six months.

Henry Dunning Macleod, the jury, who are the proper judges of the fact, have found you also guilty. The sentence upon you is that you be imprisoned for three months.

John Stapleton, the jury have found you guilty ; but I cannot conscientiously order you to do more than pay a fine of 1s. to Her Majesty, and be discharged.

Mr. Kennedy applied that execution of the sentences might be deferred till Monday, in order that arrangements might be made.

Lord CAMPBELL.—I will not delay execution of the sentence for a single moment. (Applause.)

The defendants were then removed in custody.

Mr. Atherton reminded his lordship that he had undertaken to say what remuneration should be paid to the special jurymen for their services.

Lord Campbell then said that if he could make the jurymen a recompense adequate to their services it would be a very high one, but the law had provided that one guinea a-day should be given to special jurymen, and that was all he could award. Each jurymen would therefore

receive 13 guineas. His lordship said that, so far as he had observed, the public journals had strictly observed his recommendation to suspend all comments on the case during the trial; but the time was now come when all Her Majesty's subjects were free to comment upon the proceedings.

Mr. Atherton requested that the other informations might be made remanets.

Lord CAMPBELL.—Certainly.

Mr. KENNEDY.—And be tried after next term.

Lord CAMPBELL.—I will make no order.

The Court then adjourned, at a quarter past 8 o'clock.

[For remarks of the *London Times* on this case, the reader is referred to the May number of this work, pp. 878-880. We will now add the comments of the *London Economist* on the same subject.—ED. B. M.]

BANK DIRECTORS.

The following remarks from the *London Economist* apply as well to the management of Banks in the United States as to England. We therefore give them in full, so that they may be considered by our Banking readers generally.—ED. B. M.

The result of the trial of the Directors of the Royal British Bank is calculated to exercise a most salutary and healthy effect upon the management of joint-stock companies; greater probably than any change which could have been devised in the law, by way of establishing control over their proceedings. Experience has abundantly shown that legal checks, publication of accounts, periodical audits, are, however useful in themselves if honestly exercised, no security against abuses of the most flagrant description. The case of the Royal British Bank is one of the most striking examples of the futility of all such precautions. It was established under the joint-stock banks act passed in 1844, which had exhausted all the ingenuity of Sir R. Peel and the government of the day, aided as they were by the experience of the preceding ten years, during which so many abuses in the previous system had come to light. How far the stringent conditions of that act have accomplished their object is best seen by the revelations of the trial which has just closed. If directors honestly and conscientiously perform their duty to the shareholders and the public, legal checks and regulations are not necessary, or are so only so far as they provide for what may be considered useful information on public grounds. But if men are disposed, as in the case of the Royal British Bank, to deceive both their shareholders and the public with the view of duping them into fresh confidence and extracting from them new subscriptions, the ease with which the most stringent regulations can be evaded has been abundantly exemplified. But we will go further. In the case of Banks it is easy to conceive that a state of accounts might be exhibited, which, without any fraudulent intention, might for all practical purposes be absolutely false. Sanguine minds may be slow to admit the worthlessness of doubtful assets, and may be full of hope in the face of the most desperate circumstances. We have little faith, therefore, in compulsory regulations by which it is supposed that the public shall be truly informed upon a subject on which Directors may so easily deceive

themselves. But we have the most unbounded faith in the efficacy of such an administration of the law as shall hold men responsible to answer criminal proceedings against them, or to meet claims for pecuniary damages, when wilful deception and fraud have been exercised.

Let us see how far the principle established by the trial and conviction of Cameron, Esdaile, Kennedy, and the other directors of the Royal British Bank can be held to affect the liability of directors of joint-stock companies generally. These persons are convicted of having published to the world a statement of the affairs of the bank which they knew to be false, and to have published it with the view of inducing shareholders and others to come forward with more money. There are two essential points here to be noticed. The first is, that it is necessary that the statement published should have been known to be false; and next, it may be inferred also to be an essential point that the object was to induce fresh subscriptions. But it is important to observe that it is not necessary that the deception thus fraudulently palmed off should have for its object the personal gain of the directors: it is no excuse, even though it should be shown that the only object was to benefit the company of which they were directors, by hiding its real condition, and by inducing others to put their money into it, with a hope of retrieving its shattered fortunes. Moreover, the principle of law thus established carries us still further, and opens up new considerations of risk and danger to directors of even a more serious description. The proceedings against the directors of the Royal British Bank were of a criminal character. In that case it was no doubt necessary to consider the part which each had personally played in the extraordinary drama which was commenced on the first day the Bank opened its business by prayer, and which was closed by the absconding of the manager and directors, to avoid the piteous re-creminations of ruined orphans and widows. Personal knowledge and participation in the fraudulent representation were necessary for criminal conviction and punishment. And Lord Campbell apportioned with a nice discrimination the amount of punishment in each case, according to the degree of active participation which each was shown to have had; though in the adjustment of the different degrees in the sliding scale which he adopted, it is difficult to reconcile some of his lordship's conclusions with the principles he laid down. However, the law has been vindicated, and a great principle of responsibility has been established; and the public will not begrudge an undue exercise of lenity in particular cases, even though they should find it difficult to account for them.

These, however, are criminal proceedings, demanding therefore a greater nicety of discrimination in individual cases, and a clearer proof of personal complicity. But let us extend the same principle of responsibility on the part of directors to civil actions for damages. If accounts are "cooked," and false balance-sheets are exhibited, and things made comfortable to shareholders by the declaration of a dividend when no profit, or not a sufficient profit, is made, the liability which the directors may incur towards those who on the faith of such accounts are induced to hold their shares, to purchase more, or to subscribe more money, is a matter for the most serious consideration. If a clear case of misrepresentation were made out against a board of directors, if satisfactory proof were given that persons had believed in the false account, had acted upon it and invested their money, and that heavy loss had been incurred when the truth became known; if these

premises were established before a jury, can any one now doubt that a verdict for sufficient damages would be obtained against the directors personally who had been thus guilty of duping the public? And in an action of this kind, would it be held to be needful to make the same discrimination as to the part which each director had taken in the fraud? Would it not rather be held that all were equally responsible in a civil action, for acts which they permitted to be done in their name, and of which, if they had performed the trust which they had voluntarily accepted, unless some special reason could be pleaded for exemption, they ought to have been cognizant? No doubt there would usually be great difficulty in proving, first, that the accounts were really "cooked" for an object, and next, that the directors were aware of it. But on the other hand, it is not uncommon, when such tricks are practised, that disputes and quarrels arise, either among directors themselves or with their confidential officers, which at any moment may expose them to all the risks they have incurred and to their just consequences.

But the great and important lesson which all this teaches is, that the office of director in public companies is one which involves real trust and responsibility; responsibility as well to the criminal law with suitable punishment, as to the civil law with liability for damages. There has been no calling in which so much every-day dishonesty has hitherto been covered by conventional custom, as in that of the practised—we may say, professional—director of public companies; and there is nothing which has so much militated against the success of such companies as the fact that they are left to the management of men who have no sense of the responsibility which they incur, and who possess not one quality for discharging the duties nominally intrusted to them, though they were ever so conscious of their real character. The miserable, wretched pittance of a sovereign for each attendance, takes men into the city on a given day in the week, when for their convenience several companies meet, to enable the professional director to shuffle from one board to another, to earn his sovereign at each, to hear the gossip of the day, and to sign an approval of all that the secretary or chairman has done since the last meeting. As long as the business of public companies is thus left to amateur directors, and to irresponsible secretaries and officers of the board, it is not reasonable to expect that any business involving nice discretion, and the management of intricate and extensive details, can be successfully carried on. It is essential in all positions that responsibility should rest where power is exercised; and if the new light in which directors of public companies must now be regarded shall lead to an entire change in the present system of constituting boards, to the appointment of a few competent men, sufficiently paid not only to secure their entire services, but to hold them reasonably responsible for all their acts, the greatest benefit will have been conferred upon that great branch of our commercial enterprise necessarily undertaken by joint-stock companies.

One word as to the directors of the Royal British Bank, who are now undergoing the well merited sentence passed upon them. If their case appears in any way a hard one, it is certainly not that they are entitled, abstractedly, to any commiseration. But they will probably feel some difficulty in reconciling to themselves the justice of their being singled out for retribution. When the late Attorney-General was asked in the House of

Commons whether he intended to proceed with the prosecution of these persons, he replied that his only doubt was whether he should not extend it to other bodies of directors; and with such facts as have come to light in connection with the management of the Northumberland District Bank and others before the country, the doubt expressed by Sir Richard Bethell will be extensively entertained. It is in every way discreditable to the bankruptcy law of a country like England, that it is possible for such concerns to be wound up almost in secret, and without any public investigation into the conduct of men who are as much open to suspicion and censure as were the directors of the Royal British Bank. If that bank had only been able to go on until the commercial crisis, and had then fallen amid the general storm, there would have been as little chance of the trial and punishment of the directors, as there now is of many who are as well deserving of both. But let those who are responsible for the administration of the law bear in mind that there is nothing so detrimental to its efficacy as uncertainty, and nothing that so much detracts from the wholesome consequences of punishment as the belief that many men have been guilty of the same acts with impunity, though they have been equally notorious and equally disastrous.

A LOAN AND RELIEF COMPANY.

A Bill was in February last before the Legislature of this State for the incorporation of a Loan and Relief Company, which is timely, and demands at least passing attention. The past winter has brought a rich harvest to the pawnbrokers, the commercial calamities of the preceding autumn having caused such an increased demand for small loans on the security of personal property, as to induce many persons to enter the business, at least for the time being. Some pawnbrokers early in the winter declined to make loans of larger sums than two or three dollars; being able to put out all their available capital in such small issues, and upon security worth, under any circumstances, five or six times the amount loaned, with the probability that the borrower would never appear to claim the pledge. Of the property thus pawned it is safe to assume that seventy-five per cent. is utterly lost to the pawner; for although the law requires that the surplus over and above the amount loaned with interest, derived from the sale of the pledge shall be returned to the borrower, it is notoriously true that in nine cases of ten, if not ninety-nine in a hundred, this is not done. For this failure of the beneficial provision of the law for the borrower, the pawnbroker is too often responsible; but in some cases, he is not. In the numberless instances, however, and for the nameless contrivances, by which the borrower is compelled in fact, though not in terms, to pay more than the legal rate of twenty-five per cent., the pawnbrokers are, of course, alone culpable; and the knowledge of the various kinds of oppression to which those who are driven by the sharp edge of poverty into the door over which hang the three gilded balls of Lombardy, has caused many efforts to be made for the control, and some for the entire suppression of this species of money-lending.

The latter—the suppression—is entirely unpracticable and even undesirable. The earliest records of the race show evidences that in the very dawn of history men pledged the garments from their backs for wherewithal to buy food for their stomachs, and the Mosaic law, amid all its rigors, had provisions which sought to mitigate the hard lot of those who were thus driven to part with one necessary of life in order to obtain another, not more needful but more immediately pressing. It is in the last degree unreasonable to suppose that those who have property of any kind upon the pledge of which they can obtain money, will be reduced to pinching poverty without attempting to meet their more pressing wants in this way. If they could be prevented from doing so, they would be wronged in a manner the nature of which is too obvious to need or to bear explanation. The man who lends another money upon security under such circumstances, confers a benefit, although his motive is solely the hope of profit. An attempt to suppress licensed pawnbroking would merely drive the impoverished borrower to entirely irresponsible individuals who would be guided in their extortions only by the extremity of his need; the more abject his necessity, the more exorbitant would be their demands. Hence it is that in all civilized countries the government in some manner steps in between the borrower and the lender upon personal property, for the protection of the one by restraint upon the other. And these restraints must, for the lender's sake, not be made too rigid, except in regard to the protection of the property pledged and the pursuit of stolen goods, because in the end it is upon the lender himself, that all the difficulties and disabilities are visited, in the shape of interest upon interest, or loans very disproportioned to the value of the property pledged, by which the pawnbroker seeks to indemnify himself for the restrictions to which he is subjected.

In various foreign countries the government not only steps in between the pawner and the pawnee, by requiring the latter to obtain a license and submit to certain regulations established by law, but there are establishments, called in Italy *Monte di Pietà*, and in France *Mont de Piété*, created by the government itself, which in some cases have the entire monopoly of the business of making loans upon personal property. The operation of these establishments is on the whole very beneficial. The *Mont de Piété* in Paris is compelled to loan two-thirds the appraised value of property not gold or silver, and four-fifths the value of that. The rate of interest is twelve per cent. a-year. It has usually from six to seven hundred thousand articles, worth about two millions five hundred dollars, pledged. The expense of conducting it, though it is economically managed, is such that a loan of three francs, the lowest which is made—never pays its expenses, and the profits are derived only from loans of five francs and upwards. The advantages which this institution affords to the poor over the system of pawnbroking in vogue with us, are the low rate of interest, especially upon small loans, and the certainty from the standing of the institution that no extortion, direct or indirect, will be practised; while the public generally derive from its operations and the rigid supervision to which it is subjected, a degree of protection against thieves quite unknown to us.

A government institution like the *Mont de Piété* we cannot expect to have; it would be entirely foreign to our habits and tastes, even if it were constitutional. But if we can induce men of well-known respectability and sufficient means to enter upon this business of money-lending, under

proper restraint, it would be greatly to the advantage of borrowers and the public. What are the provisions of the bill now before the Legislature we do not know; but such a company as it proposes to incorporate should be under the management of honest and capable men; the rate of interest which it is allowed to charge should be considerably less than that charged by the pawnbrokers—say fourteen or fifteen per cent. as we have seen, in the case of the Parisian *Mont de Piété*, that twelve is insufficient to make loans of fifty cents profitable, and a great proportion of the loans here would be less than that; it should be responsible in the case of fire, which our pawnbrokers are not; and its books and affairs should be at any and all times subject to examination by some officer designated by the Legislature, to whom or to the Legislature itself a yearly report of its business should be made. Such an institution could not fail to exert a benign influence in any large city; while its stock would be eagerly-sought for the purposes of profitable investment.

The New York Legislature refused to amend or remove the Usury Laws from the Statute Book, but they adopted without knowing it, the initiatory step in such reform, by chartering a Company authorized to loan money at 15 per cent. interest!! Why a select body of people should be allowed to charge from 9 to 15 per cent. and all others seven per cent. as a maximum, is an inconsistency, to say the least. The first two sections of the new law provide as follows:

SECTION 1. That Anthony J. Bleecker, James S. Sluyter, A. M. C. Smith, Simeon Draper, Patrick G. Maloney, Nathaniel M. Freeman, William H. Michaels, David M. Talmadge, O. S. X. Peck, Amaziah D. Barker, Augustus G. Seaman, and their associates, shall be and are hereby constituted a body, corporate and politic, by the name and style of the "People's Loan and Relief Company," and by that name shall have perpetual succession, and may sue or be sued in any court whatsoever, and whose operations of business shall be confined to the City and County of New York.

SEC. 2. The corporation hereby created, in addition to the powers conferred by law upon corporations, shall have the power to loan money in any sum, on a pledge of personal property, and to charge interest thereon at the rate of 15 per cent. per annum on all sums under \$50, and not exceeding \$100, 12½ per cent, and beyond this amount, 9 per cent. per annum, and may receive money on deposit, not allowing over 7 per cent. per annum, and to each depositor shall be furnished a pass-book or certificate of the name of the depositor, and the amount of the deposit, the time of the loan, and the rate of interest agreed to be paid by the Company, a copy of which shall be entered in the books of the Company.

The "People's Loan and Relief Company," may, if properly managed, be a public benefit—although no capital is authorized or contemplated; but if they can borrow at 6 or 7, and lend at 9 to 15, the margin is a handsome one. The Company may indeed prove a benefit as a sort of "Mont de Piété," of which several exist in Paris, Dublin, and other cities, where respectable parties may receive loans on the pledge of personal property, at moderate rates of interest. We speak of the new law of this State, as a wise one, but certainly invidious in its distinctions from other chartered concerns.

Since the preceding remarks were penned, the Legislature has acted upon the bill proposed; and books of subscription are now opened at the office, No. 7, Broad st.

COMMERCIAL BANK OF CANADA.

GENERAL STATEMENT AS ON 12TH JUNE, 1858.

LIABILITIES.

Capital Stock paid up—				
Canada Register.....	\$2,741,500			
London Register.....	1,038,500	\$3,780,000 00	£945,000 0 0	
Bank Notes in circulation.....		1,174,112 00	293,528 0 0	
Dividend No. 50, 4 per cent. payable 1st July.....		151,200 00	37,800 0 0	
Former Dividends unclaimed.....		7,289 09	1,822 5 5	
Balances due to other Banks and Foreign Agents.....		149,220 28	37,805 1 5	
Reserve Fund.....		600,000 00	150,000 0 0	
Profit and Loss Account.....		44,551 64	11,137 18 3	
Deposits.....		1,189,612 87	297,403 4 4	
		<u>\$7,095,985 88</u>	<u>£1,773,996 9 5</u>	

ASSETS.

Gold, Silver, and Copper Coins in vaults.....	\$496,913 15	£124,235 15 9	
Notes and Checks of other Banks.....	128,613 15	32,153 5 9	
Government Securities.....	400,000 00	100,000 0 0	
Balances due by other Banks and Foreign Agents.....	129,843 22	32,460 16 1	
Real Estate.....	167,099 08	41,774 15 5	
Notes Discounted and all other Debts due to the Bank not included under the foregoing heads...	5,773,487 28	1,443,371 16 5	
	<u>\$7,095,985 88</u>	<u>£1,773,996 9 5</u>	

C. S. Rosa, Cashier.

Commercial Bank of Canada, Kingston, 12th June, 1858.

The Annual General Meeting of the Shareholders of the Commercial Bank of Canada, was held at the Bank, in Kingston, on Friday, the 25th day of June, 1858, in conformity with the Charter. The meeting having been organized by the appointment of Thos. Kirkpatrick, Esq., as Chairman, the Hon. John Hamilton, President of the Board of Directors for the past year, submitted the General Statement of the affairs of the Bank on 12th June, 1858, and thereafter read the following

REPORT.

MR. CHAIRMAN AND GENTLEMEN:

I beg to submit to the meeting a copy of the General Statement of the affairs of the Bank, as on 12th inst.

The profits, after deduction of expenses of management, have been.....	\$410,881 79	£102,720 8 11	
Of this amount there has been appropriated to Dividend No. 49, in January last, 4 per cent.....	\$149,013 22	£37,253 6 1	
Dividend No. 50, payable 1st July, 4 per cent.....	151,200 00	37,800 0 0	
Government tax on circulation.....	5,425 25	1,356 6 3	
Annual reduction of Real Estate Account.....	8,000 00	2,000 0 0	
	<u>\$313,638 47</u>	<u>£78,409 12 4</u>	

leaving a balance of \$97,243 32 (£24,310 16 7). Of this sum \$52,691 68 (£13,172 18 5), has been applied in writing off, and providing for, probable bad and doubtful debts, and the balance, \$44,551 64 (£11,137 18 3) remains at credit of Profit and Loss Account. In explanation of this result, and of the business of the Bank for the past year, the Directors consider it necessary, particularly for the information of Shareholders resident in Europe, to remark upon the general commerce of the Province, as it affected the Bank during the period named.

In the report of last year, allusion was made to the position of money matters at that time, which in the opinion of the Directors, called for increased watchfulness in the management of the Bank. The precautionary measures previously adopted, were subsequently continued, and the crisis of last autumn, from its extent and severity, showed how necessary the precaution had been, and that it was fortunate the expansion of business generally for several years before, had not led the Directors to deviate from the settled policy of the Institution. When the monetary revulsion of October last reached Canada, the Directors took immediate steps for meeting all probable demands, and for keeping the Bank in that position towards its customers and to the public, which it has always occupied. In concert with other Institutions, a course of action was determined upon and carried out, the leading points of which were, maintaining Canadian bank credit, and affording all practicable facilities to customers whose business was sound. These objects have been fully carried out, on the part of this Bank, without interruption, and it is matter for just congratulation, that the high standing of the Banks in Canada has been maintained, without any undue pressure upon the public. As regards the regular customers of the Bank, it is gratifying to know that the policy adopted by the Directors, and the facilities given, have been appreciated in almost all cases; and the Directors have further to state, as the result of their experience, that not one customer who had been doing a sound business, has suspended payment. To the public also, the duties of the Bank have been fulfilled, as has been shown by the returns in Gazette. The total contraction of advances during the past year has been comparatively inconsiderable, while of the reduction made, the greater part arose from payment of a debt by a public Company.

It was not however to be expected, that a general and very severe crisis, extending over so wide a field, could pass without an important contraction of business transactions, and consequently of usual profits. Fortunately, the connection of the Bank, which is chiefly in Upper Canada, has been for years of such a sound character, that the losses during the past year have been comparatively unimportant. There has been no large loss, while of what has occurred, the greater part arose from the purchase of Sterling Bills in Lower Canada, drawn against shipments of produce, and generally covered by shipping documents, which Bills, the drawees in Britain refused to accept, although they had ordered the purchases, or were unable to pay when they did accept, from the general depression of trade. Of debts charged to Profit and Loss Account, we hope part may yet be recovered; but even should these expectations not be realized, it is satisfactory to think that looking to the extent of the business of the Bank, and the severity of the crisis, the losses have not been greater than the amount stated, and that after paying usual Dividends, a considerable sum remains at credit of Profit and Loss Account.

The deposits in all the Banks in Canada, not bearing interest, consist

chiefly of the daily balances at credit of customers. In common with what has been the experience of every other Bank, but not in a greater comparative proportion, the contraction of business has been naturally followed by a diminution of deposits and of circulation. It could not be otherwise in such a period. But while these periodical commercial crises thus cause contractions, it is beyond question that they make general business more healthy afterwards, and as has been well said, the advance made by the Province during the past ten years, is by no means lost. On the contrary all the material improvements remain, and with reviving trade, which may be confidently looked for if there is an average harvest, they will prove the basis of a steady and increasing prosperity, in which the Bank cannot fail to participate. The manner in which engagements have been generally met by the mercantile community, has been highly creditable, when the scarcity of money is taken into account. In common with all who have regard for the commercial character of Canada, the Directors condemn, as strongly as any one can do, the system of preferential assignments resorted to by some dishonest debtors, and they would advocate such a change of the laws as would render a preference impossible, but it would be clearly unjust that the acts of a few fraudulent men should be held to represent those of the mercantile community of Upper Canada, whose business, in the experience of the Directors, has been proved to be generally sound.

The Directors have further to inform the Shareholders, that when apprised of the suspension of the Western Bank of Scotland, formerly the Agents in Glasgow, the correspondents of the Bank in London and Edinburgh at once protected the bills drawn on the Western Bank, so that not one was returned, nor was any inconvenience experienced by the holders. Remittances to cover these advances on the part of the London Joint Stock Bank and Commercial Bank of Scotland, were of course promptly made; and through bills held in Canada for collection on account of the Western Bank, and other items, the balance at our credit with that Institution at the time of its suspension, was liquidated, and the account closed in a few months. The relations of the Bank with its foreign correspondents, are, if possible, more satisfactory than ever. The utmost attention to our interests has been shown by them, which the Directors have pleasure in thus publicly acknowledging. In explanation of the change in form of the General Statement, the Directors have to inform distant Shareholders, that in concert with the Government, and with the other Banks, the decimal currency was adopted in January last, and has been found to answer all the expectations formed of the practical utility of the system. What is now required is a suitable silver coinage, and this want it is understood will be supplied within a few months. It is due to the Managers of all the Branches to state, that the Cashier has reported to the Directors, their very zealous attention to duty, and his appreciation of how efficiently they have co-operated with him in conducting the business of the Bank.

JOHN HAMILTON, President.

The following gentlemen were elected on the 25th June, Directors for the ensuing year :

JOSEPH BRUCE, Esq. ; ARCHD. H. CAMPBELL, Esq. ; HON. JOHN HAMILTON ; JAMES HENDERSON, Esq. ; LUTHER H. HOLTON, Esq. ; HON. JOHN A. MACDONALD ; ARCHD. JOHN MACDONELL, Esq. ; DOUGLASS PRENTISS, Esq. ; THOMAS W. ROBISON, Esq. ; MAXWELL W. STRANGE, Esq.

BANKING LAWS OF THE STATE OF NEW YORK.

I. INSOLVENCY OF MONEYED CORPORATIONS, p. 506.—II. ELECTIONS OF DIRECTORS, p. 3.—III. NOTARIES PUBLIC, p. 114.—IV. PRIVILEGES OF CORPORATIONS, p. 114.—V. UNAUTHORIZED BANKING, p. 115.—VI. PROMISSORY NOTES AND BILLS OF EXCHANGE, p. 117.—VII. INTEREST, p. 120.—VIII. INJUNCTION, p. 122.—IX. PROCEEDINGS AGAINST CORPORATIONS, p. 123.—X. FORGERY, p. 124.

I.—Regulations to prevent the Insolvency of Moneyed Corporations, and to secure the Rights of their Creditors and Stockholders.

I. It shall not be lawful for the directors of any moneyed corporation,

1st. To make dividends, except from the surplus profits, arising from the business of the corporation.

2d. To divide, withdraw, or in any manner pay to the stockholders, or any of them, any part of the capital stock of the corporation; or to reduce such capital stock, without the consent of the legislature:

3d. To discount or receive any note or other evidence of debt, in payment of any instalment actually called in and required to be paid, or with the intent of providing the means of making such payment:

4th. To receive or discount any note or other evidence of debt, with the intent of enabling any stockholder to withdraw any part of the money paid in by him, on his stock:

5th. To apply any portion of the funds of their corporation except surplus profits, directly or indirectly to the purchase of shares of its own stock:

6th. To receive any such shares in payment or satisfaction of any debt due to their corporation, except as hereinafter provided:

7th. To receive from any other stock corporation, in exchange for the shares, notes, bonds, or other evidences of debt of their own company, shares of the capital stock of such other corporations, or notes, bonds, or other evidences of debt, issued by such other corporation:

8th. To make any loans or discounts, if the corporation have banking powers, by which the whole amount of the loans and discounts of the company shall be made to exceed three times its capital stock, then paid in, and actually possessed:

9th. To make any loans or discounts to the directors of such corporation, or upon paper upon which such directors, or any of them, shall be responsible, to an amount exceeding in the aggregate, one-third of the capital stock of such corporation, actually paid in and possessed; but no securities taken for any such loan or discount, shall be held invalid.

II. In the calculation of the profits of any moneyed corporation, previous to a dividend, interest then unpaid, although due, or accrued, on debts owing to the company, shall not be included.

III. In order to ascertain the surplus profits, from which alone a dividend can be made, there shall be charged in the account of profit and loss, and deducted from the actual profits,

1st. All the expenses paid or incurred, both ordinary and extraordinary, attending the management of the affairs, and the transaction of the business of the company:

2d. The interest paid, or then due, or accrued, on debts owing by the company :

3d. All losses sustained by the company; and in the computation of such losses, all debts owing to the company, shall be included, which shall have remained due, without prosecution, and no interest having been paid thereon for more than one year; or on which judgments shall have been recovered, that shall have remained for more than two years unsatisfied, and on which no interest shall have been paid during that period.

4th. When any losses shall be sustained by any such corporation, that shall exceed its undivided profits, then realized and possessed, they shall be charged as a reduction of the capital stock of the company, and no dividends shall thereafter be made on the shares of such stock, until the deficit of capital so created, shall be made good, either by the recovery of the moneys charged as lost, or from the subsequently accruing profits of the company.

5th. If from the occurrence of losses charged, or proper to be charged, as a reduction of its capital stock, the whole amount of the loans and discounts made by any corporation having banking powers, shall exceed three times the amount to which its capital paid in, is, or ought to be reduced, it shall be the duty of the directors of such corporation, to call in and cause to be paid, without delay, such a portion of such loans, as shall reduce their whole amount within the limits before prescribed.

6th. If any shares of its own capital stock shall be hypothecated or pledged to any moneyed corporation, and the debt which they shall be intended to secure, shall not be paid when due, it shall be the duty of the directors of the company, within sixty days thereafter, to cause such shares to be sold; and if within that period, such shares shall not be sold, and the debt shall remain unsatisfied, the shares shall be charged at the amount actually paid thereon, as a reduction of the capital stock of the company, and no dividends shall thereafter be made until the deficit so created, be made good from the subsequently accruing profits of the company.

7th. No conveyance, assignment, or transfer of any effects, for the use, benefit or security of any such corporation shall be valid in law, unless it be made to the corporation directly and by name; but the provisions of this section shall not be construed to apply to a conveyance or assignment for the benefit of creditors, in which such corporation shall be included, or to a conveyance or assignment of the effects of a debtor under the laws of this State, or of any other State or country.

8th. No conveyance, assignment or transfer, not authorized by a previous resolution of its board of directors, shall be made by any such corporation of any of its real estate, or of any of its effects, exceeding the value of one thousand dollars; but this section shall not apply to the issuing of promissory notes, or other evidences of debt, by the officers of the company in the transaction of its ordinary business, nor to payments in specie or other current money, or in bank bills, made by such officers; nor shall it be construed to render void any conveyance, assignment or transfer, in the hands of a purchaser for a valuable consideration, and without notice.

9th. No such conveyance, assignment or transfer, nor any payment made, judgment suffered, lien created, or security given, by any such corporation when insolvent, or in contemplation of insolvency, with the intent of giving a preference to any particular creditor over other creditors of the

company, shall be valid in law ; and every person receiving, by means of any such conveyance, assignment, transfer, lien, security or payment, any of the effects of the corporation, shall be bound to account therefor to its creditors or stockholders, or their trustees, as the case shall require.

10th. Every director who shall violate or be concerned in violating any provision, in the preceding sections of this article contained, shall be liable personally to the creditors and stockholders respectively, of the corporation of which he shall be a director, to the full extent of any loss they may respectively sustain from such violation.

11th. Every director guilty of such violation, whether a loss shall or shall not result, shall be deemed guilty of misdemeanor punishable by fine or imprisonment, or both, in the discretion of the court by which he shall be tried.

12th. Every director shall be deemed to possess such a knowledge of the affairs of his corporation, as to enable him to determine whether any act, proceeding, or omission, of its directors, is a violation of the foregoing provisions of this article; and every director who shall be present at a meeting of the directors, where such a violation shall happen, shall be deemed to have concurred therein, unless he shall, at the time, cause, or in writing require, his dissent therefrom, to be entered at large, in the minutes of the directors.

13th. Every director not present at a meeting where such a violation shall happen, shall nevertheless be deemed to have concurred therein, if the facts constituting such violation appear on the books of the company, and he remain a director of the same company for six months thereafter, and do not, within that time, cause, or in writing require, his dissent from such illegal proceeding, to be entered at large in the minutes of the directors.

14th. Every insolvency of a moneyed corporation shall be deemed fraudulent, unless its affairs shall appear, upon investigation, to have been fairly and legally administered, and generally, with the same care and diligence, that agents, receiving a compensation for their services, are bound, by law, to observe; and it shall be incumbent on the directors and stockholders of every such insolvent corporation, to repel, by proof, the presumption of fraud.

15th. In every case of a fraudulent insolvency, the directors of the insolvent company, by whose acts or omissions the insolvency was wholly or in part, occasioned, and whether then in office or not, shall each be liable to the stockholders and creditors of the company, for his proportional share of their respective losses; the proportion to be ascertained by dividing the whole loss amongst the whole number of directors liable for its reimbursement; but this section shall not be construed to diminish the liability of directors, as before declared, who shall have violated, or have been concerned in violating, the provisions of this article.

16th. If the moneys remaining due to the creditors of a corporation, whose insolvency shall be adjudged fraudulent, after the distribution of its effects, shall not be collected, in whole or in part, from the directors liable for their reimbursement, the deficiency shall be made good, by the contribution of the stockholders of the company; the whole amount of the deficiency shall be assessed on the whole number of shares of the capital stock, and the sum necessary to be paid on each share, shall be then ascertained, and each stockholder shall be liable for the sum assessed on the number of shares held by him, not exceeding the nominal amount of such shares, in

addition to the sums paid, or which he may be liable to pay on account of those shares.

17th. If the amount assessed on the shares of any stockholder, under the provisions of the last section, shall not be collected from such stockholder, by reason of his insolvency, or his absence from this State, the sum remaining due on such assessment, shall be recoverable against the person from whom the delinquent stockholder, at any time within six months previous to the insolvency of the company, shall have received a transfer of the shares, or any portion of the shares then held by him; and every person having made such transfer, shall be liable in the same manner, and for the same proportion that he would have been liable, had he continued to hold the shares so transferred.

18th. The term "stockholders," as used in the preceding sections of this title, from the fourteenth section inclusive, shall extend to every equitable owner of stock, appearing on the books of an insolvent company, in the name of another person, and to every person who shall have advanced the instalments, or purchase money, of any shares of stock, standing in the name of any of his children, under the age of twenty-one years; but no person holding stock, as an executor or administrator, or as a guardian or trustee, appointed by a last will or testament, or by a court of competent authority, and no legal or equitable owner of stock, under the age of twenty-one years, shall be individually responsible on account of the shares so held.

19th. It shall be the duty of every moneyed corporation hereafter created, on the first of January after its incorporation, and annually on the same day thereafter, to make out and transmit to the comptroller, in the form prescribed by him, a full statement of its affairs, verified by the oaths of its president and cashier, or treasury or secretary.

20th. Each statement so transmitted shall contain,*

(1.) The amount of the capital stock of the corporation, paid in, or invested according to the provisions of its charter, and the amount of such stock as then possessed: (2.) The value of the real estate of the corporation, specifying what portion thereof is occupied by the company as necessary to the transaction of its business: (3.) The shares of stock held by such corporation, whether absolutely or as collateral security, specifying each kind and description of stock, and the number and value of the shares of each: (4.) The debts owing to the corporation, specifying such as are owing from other moneyed corporations, the names of such corporations, and the amount due from each; and also specifying the amount secured by bond and mortgage or judgment, the amount which, according to the provisions of this article, ought to be included in the computation of losses, and the total amount of such debts then collectible: (5.) The amount of debts owing by the corporation, specifying such as are payable on demand, and such as are due to other moneyed corporations, the names of such corporations, and the amount due to each: (6.) The amount of the claims against the corporation not acknowledged by it as debts: (7.) The amount for which the corporation is bound as surety, or for which it may become liable on the happening of contingent events, whether upon policies of insurance

* Superseded as to Banks by the General Banking Law.—ED. B. M.

or otherwise: and, (8.) If the statement be from a corporation having banking powers the amount of its notes or bills then in circulation, of its loans and discounts, and of specie on hand:

21st. Each statement subsequent to the first so transmitted shall also contain,

(1.) The amount of the losses of the corporation charged, specifying whether charged on its capital or profits, since its last preceding statement, and of its dividends declared and made during the same period:

(2.) The average amount for each month, during the preceding year, of the debts due to and from the corporation: and,

(3.) If the statement be from a corporation having banking powers, the amount on the first day of July of the same year of its notes or bills in circulation, of its loans and discounts, and of its specie on hand.

22d. Every corporation that shall neglect to make out and transmit the statement required, for one month beyond the period when by law it ought to be made, may be proceeded against, and dissolved as an insolvent corporation.

23d. It shall be the duty of the comptroller to enter every such statement received by him, in a book to be provided by him for that purpose, and which shall at all times, during office hours, be open to public inspection.

24th. If it shall appear to the comptroller from any statements received by him, that the provisions of its charter, or of this title, have been violated by any corporation, or that there is reason to apprehend, that any corporation is, or will become insolvent, it shall be his duty to report the facts, together with his opinion thereon, without delay, to the legislature.

25th. It shall be the duty of the comptroller, to prepare forms of the statements above prescribed, and to transmit a copy thereof, together with such instructions as he may deem necessary, to every corporation which is or shall be bound to furnish such statements under the provisions of this title.

26th. No corporation having banking powers, shall issue for circulation, any bill or promissory note, of a less denomination than one dollar.

27th. No corporation having banking powers, and none of its directors, officers, agents or servants shall, directly or indirectly, purchase, or be interested in the purchase of any promissory note, or other evidence of debt, issued by such corporation, for a less sum than shall appear on the face thereof to be then due; and every person violating the provisions of this section shall forfeit three times the nominal amount of the note, or other evidence of debt, so purchased.

28th. No president, director, cashier, clerk or agent, of any corporation having banking powers, and no person in any way interested or concerned, in the management of the affairs of any such corporation, shall discount, or directly or indirectly make any loan, upon any note or other evidence of debt, which he shall know to have been offered for discount to the directors, or any officer of such corporation, and to have been refused; and every person violating the provisions of this section, shall, for each offence, forfeit twice the amount of the loan which he shall have made.

29th. No moneyed corporation, to which a charter shall hereafter be granted, shall commence the business for which it shall be incorporated,

until its president and cashier, or treasurer, or secretary, or its two principal officers, by whatever name they may be described, shall have made and subscribed an affidavit, stating that the whole of the capital stock of such corporation, or such portion thereof as, by its charter, shall be required to be paid or secured before the commencement of its operations, has been actually paid, or secured to be paid, according to the provisions of its charter.

30th. Every such affidavit, if made in a city, shall be made before the mayor or recorder of such city, and if made in a county, before the first judge of the county, or any master in chancery therein, and shall be filed in the clerk's office of the city and county, or of the county in which it shall be taken.

31st. The charter of every such corporation shall be void, if the affidavit above required, shall not be duly made and filed, within one year from the time such charter shall be granted.

32d. Any of the banks of this state which shall have omitted to file with the clerk of the county in which such bank is located, the affidavit required by sections twenty-nine and thirty of chapter eighteen of title second of the first part of the Revised Statutes, and which shall have filed with the comptroller of this State an affidavit, stating that the whole of the capital stock of such bank has been paid in, are hereby authorized, within sixty days from the passage of this act, to file with the clerk of such county, a certified copy of the affidavit so filed with the comptroller, which shall have the same force and effect as if the provisions of said sections of the Revised Statutes had been strictly complied with by such bank.

33d. Every note, bill, or other evidence of debt, purporting to be a bank note, issued or to be issued by any incorporated banking institution of this State, shall, after the passage of this act, be deemed and taken to be payable at the banking house of such incorporated banking institution, any law or usage to the contrary hereof notwithstanding.

II.—Concerning the Election of Directors of Moneyed Corporations.

34th. At every election for directors in any moneyed corporation, three persons shall be chosen by the persons entitled to vote for directors, as inspectors at the next succeeding election, whose duty it shall be to act as such, and any two of whom shall be competent to act. Each acting inspector shall be entitled to a reasonable compensation for his services, to be paid by the corporation for which he is chosen.

35th. The directors of the corporation shall supply any vacancy, that may occur by the death or removal from the city or county where the corporation shall be situated, of any such inspector, or by his refusal to serve, or neglect to attend on the day of election.

36th. No person shall be chosen or appointed an inspector of an election of directors in a corporation of which he shall be a director or officer.

37th. Every such inspector before he shall enter on the duties of his office, shall take and subscribe the following oath before any officer authorized by law to administer oaths: "I do solemnly swear that I will execute the duties of an inspector of the election now to be held, with strict impartiality, and according to the best of my ability."

38th. At every election of directors, the transfer books of the corporation shall be produced to test the qualifications of the voters; and no persons shall be admitted to vote directly, or by proxy, except those in whose names the shares of the stock of the corporation shall stand on such books, and shall have so stood, for at least thirty days previous to the election.

39th. No person shall be admitted to vote on any shares of stock, belonging, or hypothecated, to the corporation in which the election is held, nor shall any person be admitted to vote on any shares of stock, which shall then be hypothecated or pledged, as a collateral security, to any other person or company.

40th. No person shall be admitted to vote on any shares, which shall have been transferred to him, for the sole purpose of enabling him to vote thereon at the election then to be held; nor upon any shares, which he shall have previously contracted to sell, or transfer after the election, upon any condition, agreement or understanding, in relation to his manner of voting at such election.

41st. Every person offering to vote, may be challenged by any other person authorized to vote at the same election; and to every person so challenged, one of the inspectors shall administer the following oath: "You do swear, (or affirm as the case may be,) that the shares on which you now offer to vote do not belong, and are not hypothecated to the (naming the corporation for which the election is held,) and that they are not hypothecated or pledged to any other corporation or person whatever; that such shares have not been transferred to you for the purpose of enabling you to vote thereon at this election, and that you have not contracted to sell or transfer them, upon any condition, agreement or understanding, in relation to your manner of voting at this election." [It shall be lawful for any married woman, being a stockholder or member of any bank, insurance company, (other than mutual fire insurance companies,) manufacturing company, or other institution incorporated under the laws of this State, to vote at any election for directors or trustees by proxy or otherwise, in such company of which she may be a stockholder or member. 1851, ch. 321.]

42d. No person shall be permitted to vote upon the proxy of a stockholder, unless he shall produce, annexed to his proxy, an affidavit of such stockholder, stating the same facts to which the oath of such stockholder might have been required, upon a challenge, had he offered to vote in person on the shares mentioned in the proxy.

43d. If any person offering to vote upon a proxy, shall be challenged by an elector, he shall be required to take the following oath, to be administered to him by one of the inspectors: "You do swear (or affirm), that the facts stated in the affidavit annexed to the proxy, upon which you now vote, are true according to your belief, and that you have made no contract or agreement whatever for the purchase or transfer of the shares, or any portion of the shares, mentioned in such proxy."

44th. If any person duly challenged shall refuse to take the proper oath, his vote shall be rejected, and shall not be afterwards received at the same election; if he shall take the oath, his vote shall be received.

45th. If an election for directors in any such corporation, shall not be held on the day appointed by law, it shall be the duty of the directors to

notify, and cause such election to be held within sixty days after the day so appointed; and on the day so notified, no persons shall be admitted to vote, except those who would have been entitled, had the election taken place on the day when by law it ought to have been held.

46. No by law of any such corporation, regulating the election of its directors, shall be valid, unless it shall be made at least sixty-days before the day appointed by law for the election to be held, and shall have been published for at least two weeks in succession, immediately following its enactment, in some newspaper in the city or county where the corporation is situated.

47. Every such corporation shall keep a book, in which the transfer of shares of its stock shall be registered; and another book containing the names of its stockholders; which books shall at all times during the usual hours of transacting business, for thirty days previous to an election of directors, be opened to the examination of the stockholders.

48. If any officer having charge of such books, shall, upon the demand of a stockholder, refuse or neglect to exhibit and submit them to examination, he shall for each offence forfeit the sum of two hundred and fifty dollars.

49. If any person shall conceive himself aggrieved by an election, or any proceeding concerning an election of directors or officers in any such corporation, he may apply to the supreme court for redress, giving a reasonable notice of his intended application to the party to be affected thereby.

50. It shall be the duty of the supreme court, upon such application, to proceed forthwith in a summary way, to hear the proofs and allegations of the parties, or otherwise to inquire into the causes of complaint, and thereupon to make such order, and grant such relief, as the circumstances and justice of the case shall seem to require. If the election complained of shall be set aside, the supreme court may order a new election at such time and place as they shall appoint.

51. The supreme court, if they cannot otherwise arrive at a satisfactory result, may order an issue between the parties to be made up in such manner and form, and to be tried in such court as they shall select; or may permit or direct the attorney-general to file an information, in the nature of a quo warranto, if the case be one in which that proceeding would be competent and effectual.

52. If any such issue shall be ordered, or information permitted or directed to be filed, it shall be the duty of the supreme court to make such further orders in relation to the time and mode of pleading, the examination of witnesses or the parties, the production of books and papers, and the time and place of trial or hearing, as shall in their judgment be effectual for expediting the proceedings, saving expense to the parties, and causing a final determination to be had with as little delay as the nature of the controversy will permit.

53. Every banking association which has been or shall hereafter be formed or organized, under the provisions of the act entitled "An act to authorize the business of banking," passed April 18, 1838, or of any act amending the same, shall be subject to the provisions of article two, title two, chapter eighteen, part one, of the Revised Statutes.

III.—*Notaries Public.*

Notaries public must reside in the respective cities or counties for which they shall be appointed, but may execute the duties of their office at any place within the State.

Every person who shall be elected or appointed to any civil office or public trust embraced in this chapter, before he shall enter on the duties of such office or trust, shall take the following oath or affirmation:

"I do solemnly swear (or affirm, as the case may be,) that I will support the Constitution of the United States and the Constitution of the State of New York, and that I will faithfully discharge the duties of the office of _____ according to the best of my ability."

It shall not be lawful for any moneyed corporation to be in any manner, directly or indirectly, interested in the fees of any notary public, or entitled to, or to receive any share of the same, in any manner whatsoever; and any officer or clerk of such corporation, being a notary public, shall not be entitled to charge or receive more than fifty cents for protesting and giving the requisite notices upon any note or bill of exchange, check, or draft, payable at the office of such corporation; nor shall any such corporation, or any of its officers or clerks, charge or receive any sum for a notice upon any note, bill, or draft, which is not duly protested; nor shall a notary receive any fees for protesting or giving the notice on any note, bill of exchange, check, or draft, in which any moneyed corporation shall be interested, of which such notary shall be a stockholder.

Fees.—For drawing and copy of protest of the non-payment of a promissory note or bill of exchange, or of the non-acceptance of such bill, twenty-five cents:

For drawing and copy of every other protest, seventeen cents for every folio; and for sealing the same, twenty-five cents:

For drawing, copy, and serving every notice of non-payment of a bill or note, or non-acceptance of a bill, twenty-five cents:

For drawing and copy of any affidavit or other paper or proceeding, for which provision is not herein made, the same fees as are allowed to attorneys in the Supreme Court, for drafts and copies.

It shall not be lawful for any notary public, directly or indirectly, to demand or receive for the protest for non-payment of any note, or for the non-acceptance or non-payment of any bill of exchange, check, or draft, and giving the requisite notices and certificates of such protest, including his notarial seal if affixed thereto, any greater fee or reward than seventy-five cents; and it shall be the duty of such notary to affix his seal to such protest free of expense, except as above, whenever he shall be requested so to do; and he shall also give a certificate under his seal, free of expense, except as aforesaid, under the provisions of the eighth section of the Act entitled, "An Act relative to proceedings in suits commenced by declaration, and for other purposes," passed April 29th, 1833.

IV.—*Of the General Powers, Privileges, and Liabilities of Corporations.*

Upon the dissolution of any corporation created or to be created, and unless other persons shall be appointed by the Legislature, or by some court of competent authority, the directors or managers of the affairs of such

corporation, at the time of its dissolution, by whatever name they may be known in law, shall be the trustees of the creditors and stockholders of the corporation dissolved, and shall have full power to settle the affairs of the corporation, collect and pay the outstanding debts, and divide among the stockholders the moneys and other property that shall remain, after the payment of debts and necessary expenses.

The persons so constituted trustees, shall have authority to sue for and recover the debts and property of the dissolved corporation, by the name of the Trustees of such corporation, describing it by its corporate name, and shall be jointly and severally responsible to the creditors and stockholders of such corporation, to the extent of its property and effects that shall come into their hands.

V.—*Of Unauthorized Banking, and the Circulation of certain Notes or Evidences of Debt issued by Banks.*

1. No person unauthorized by law, shall subscribe to, or become a member of, or be in any way interested in, any association, institution or company, formed or to be formed for the purpose of issuing notes or other evidences of debt, to be loaned or put in circulation as money; nor shall any person unauthorized by law, subscribe to or become in any way interested in any bank or fund created, or to be created, for the like purposes, or either of them.

2. Whoever shall subscribe to or become a member in any such company, or interested in any such bank or fund, shall forfeit one thousand dollars.

3. No incorporated company, without being authorized by law, shall employ any part of its effects, or be in any way interested in any fund that shall be employed, for the purpose of receiving deposits, making discounts, or issuing notes or other evidences of debt, to be loaned or put into circulation as money.

4. Any director, or other agent or officer, of any incorporated company, who shall violate any provision of the last section, shall forfeit one thousand dollars.

5. All notes and other securities for the payment of any money or the delivery of any property, made or given to any such association, institution or company, that shall be formed for the purpose expressed in the first section of this title, or made or given to secure the payment of any money loaned or discounted by any incorporated company or its officers, contrary to the provisions of the third section of this title, shall be void.

6. No person, association of persons, or body corporate, except such bodies corporate as are expressly authorized by law, shall keep any office for the purpose of issuing any evidences of debt, to be loaned or put in circulation as money; nor shall they issue any bills or promissory notes or other evidences of debt as private bankers, for the purpose of loaning them, or putting them in circulation as money, unless thereto specially authorized by law. [1837.]

7. Every person and every corporation, and every member of a corporation, who shall contravene either of the provisions in the last section, or, directly or indirectly, assent to such violation, shall forfeit one thousand dollars.

8. So much of title twenty, chapter twenty, part first, of the Revised Statutes, relating to unauthorized banking, and the circulation of certain notes or evidences of debt issued by banks, as prohibits a person or association of persons not incorporated, from keeping offices for the purpose of receiving deposits, or discounting notes or bills, is hereby repealed.

9. This Act shall not be so construed as to authorize or permit any corporation created by the laws of any other state or country, to keep any office for the purpose of receiving deposits, or discounting notes or bills, or issuing any evidence of debt, to be loaned or put in circulation as money within this State.

10. No incorporated bank in this State, nor any officer or director thereof, shall open or keep an office of deposit or discount under this act, or be interested or concerned, directly or indirectly, in any such association. The bank officer or director shall forfeit the sum of one thousand dollars for each violation of any of the provisions of this section.

11. No person shall pay, give, or receive in payment, or in any way circulate, or attempt to circulate, any bank bill, or promissory note, check, draft, or other evidence of debt, issued by any banking company within this State, or elsewhere, which shall purport to be for the payment of a less sum of money than one dollar.

12. Whoever shall offend against any provision of the last section, shall forfeit the nominal amount of the bill, promissory note, check, draft, or other evidence of debt so given, paid, received, circulated, or attempted to be circulated, to any person who will sue for the same in the name of the overseers of the poor of the town where the offence is committed, with their consent, and under their direction, in an action to be commenced within thirty days after the commission of the offence.

13. It shall not be lawful for any person, from and after the first day of September next, to pass, circulate, or receive in payment, within this state, any bank note, bill, or promissory note for the payment of money issued by any state or sovereignty, or by any body politic or corporate, not authorized to issue the same in and by any of the laws and statutes of this state, under the denomination of five dollars.

14. Any person offending against any of the provisions of the preceding section shall forfeit the nominal amount of such bank note, bill, or promissory note, with cost of suit, to be recovered in the name and for the use of any person who shall sue for the same, and prosecute such suit to judgment in any court within this state having cognizance thereof.

15. Nothing contained in the act entitled "An act to prohibit the circulation of the bills of banks not chartered by the laws of this state under the denomination of five dollars," passed April 20, 1830, shall be deemed or adjudged to change or effect the provisions of the Revised Statutes in regard to forgery, as contained in article third of title third of chapter first of the fourth part of the Revised Statutes, or the offences and punishments prescribed therein.

16. No person shall give, pay, or receive in payment, or in any way circulate, or attempt to circulate any bank bill, or any promissory note, bill, check, draft, or other evidence of debt, issued by any banking company whatever, which shall be made payable otherwise than in lawful money of the United States.

17. Every person offending against any provision of the last section, shall forfeit the nominal amount or value of such bill, note, or other evidence of debt so given, paid, received, circulated, or offered, to any person who will sue for the same, in the name of the overseers of the poor of the town where the offence shall be committed, with their consent and under their direction, in an action to be commenced within sixty days after the commission of the offence.

18. All bills, notes, or other instruments which shall be issued by any banking company, purporting to be receivable in payment of debts due to such company, shall be deemed and taken to be promissory notes for the payment, on demand, of the sum or value expressed in such instrument; and such sum shall be recoverable by the holder or bearer of such instrument, in like manner as if the same were a promissory note.

19. The penalties prescribed in this title, where no other provision is made, shall be recovered by suits in the name of the people of this State, to be prosecuted by the district attorneys of the counties respectively where the offences may be committed.

All penalties herein prescribed, when collected, shall be paid to the county treasurer of the county for the use of the poor thereof.

VI.—*Of Promissory Notes and Bills of Exchange.*

1. All notes in writing, made and signed by any person, whereby he shall promise to pay to any other person, or his order, or to the order of any other person, or unto the bearer, any sum of money therein mentioned, shall be due and payable as therein expressed, and shall have the same effect, and be negotiable in like manner, as inland bills of exchange, according to the custom of merchants.

2. Every such note signed by the agent of any person, under a general or special authority, shall bind such person, and shall have the same effect, and be negotiable, as above provided.

3. The word "person," in the two last preceding sections, shall be construed to extend to every corporation capable by law of making contracts.

4. The payees and indorsees of every such note payable to them or their order, and the holders of every such note payable to bearer, may maintain actions for the sums of money therein mentioned against the makers and indorsers of the same respectively, in like manner as in cases of inland bills of exchange, and not otherwise.

5. Such notes made payable to the order of the maker thereof, or to the order of a fictitious person, shall, if negotiated by the maker, have the same effect, and be of the same validity, as against the maker and all persons having knowledge of the facts, as if payable to the bearer.

6. No person within this state shall be charged as an acceptor on a bill of exchange, unless his acceptance shall be in writing, signed by himself or his lawful agent.

7. If such acceptance be written on a paper other than the bill, it shall not bind the acceptor, except in favor of a person to whom such acceptance shall have been shown, and who, on the faith thereof, shall have received the bill for a valuable consideration.

8. An unconditional promise in writing to accept a bill before it is

drawn, shall be deemed an actual acceptance in favor of every person who, upon the faith thereof, shall have received the bill for a valuable consideration.

9. Every holder of a bill, presenting the same for acceptance, may require that the acceptance be written on the bill. A refusal to comply with such request shall be deemed a refusal to accept, and the bill may be protested for non-acceptance.

10. The four last sections shall not be construed to impair the right of any person to whom a promise to accept a bill may have been made, and who, on the faith of such promise, shall have drawn or negotiated the bill, to recover damages of the party making such promise on his refusal to accept such bill.

11. Every person upon whom a bill of exchange is drawn, and to whom the same is delivered for acceptance, who shall destroy such bill, or refuse, within twenty-four hours after such delivery, or within such other period as the holder may allow, to return the bill, accepted or non-accepted, to the holder, shall be deemed to have accepted the same.

12. Whenever the board of health of the city of New York, or any other competent authority, shall, by public notice, designate any portion or district of the said city as being the seat of any infectious or contagious disease, and declare communication with such portion or district dangerous, or shall prohibit such communication, it shall be the duty of the clerk of the said city and county, during the continuance of such disease in such district, to provide and keep in his office a book for the purpose of registering in alphabetical order the names, firms and places of business of any inhabitant of the city who shall desire such registry to be made.

13. It shall be the duty of all persons and firms usually resident, or doing business, within such infected district, to register in the book so provided by the said clerk, their names or firms with the place or places out of such infected district, but within the county of New York, to which they may have removed the transaction of their business, or to which they may desire any notices to be sent or served, or any notes, drafts or bills, to be presented for acceptance or for payment. The sum of twenty-five cents may be claimed and received by the said clerk for every such registry; but the book in which the same shall be entered, shall be, at all times during office hours, open to public examination, free of all charges.

14. During the continuance of any such disease in such infected district, all drafts, notes and bills which by law are required to be presented for acceptance or for payment, may be presented for such purpose at the place so designated in such registry; and all notices of non-acceptance and non-payment, of any note, draft or bill, or of protest, for such non-acceptance or non-payment, may be served by leaving the same, at the place so designated.

15. In case any person or firm, usually resident or doing business within such infected district, shall neglect to make and cause to be entered in the book so provided, the registry herein required, all notes, drafts or bills, which by law are required to be presented to such person or firm for acceptance or for payment, may be presented to the said clerk of the city and county of New York, during the continuance of such disease, at any time during office hours, and demand of acceptance or payment thereof, may be made of the said clerk, to the same purpose and with the same effect, as if the

same had been presented, and acceptance or payment demanded, of such person or firm, at their usual place of doing business.

16. In case of the omission to make the registry herein required, all notices of the non-acceptance or non-payment of any note, draft or bill, or of protest for such non-acceptance or non-payment, may be served on any person or firm, usually resident or doing business within such infected district, by leaving the same at the post-office for the said city of New York; which service shall be as valid and effectual, as if the notices had been served personally, on such person, or one of such firm, at his or their usual place of doing business.

17. Whenever proclamation shall be made by the board of health, or other proper authority of the city of New York, that an infectious or contagious disease in any such infected district, has subsided, it shall be deemed to have subsided, for all the purposes contemplated in this title.

18. The rate of damages to be allowed and paid upon the usual protest for non-payment of bills of exchange, drawn or negotiated within this state, shall, in the following cases, be as follows :

1st. If such bill shall have been drawn upon any person or persons at any place in either of the states of Maine, New-Hampshire, Vermont, Massachusetts, Rhode-Island, Connecticut, New-Jersey, Pennsylvania, Ohio, Delaware, Maryland or Virginia, or in the District of Columbia, three dollars upon the hundred, upon the principal sum specified in such bill :

2d. If such bill shall have been drawn upon any person or persons at any place in either of the states of North-Carolina, South-Carolina, Georgia, Kentucky, or Tennessee, five dollars upon the hundred, upon the principal sum specified in such bill :

3d. If such bill be drawn upon any person or persons at any place, in any other state or territory of the United States, or at any other place on, or adjacent to, this continent and north of the equator, or in any British or other foreign possessions in the West Indies, or elsewhere in the Western Atlantic ocean, ten dollars upon the hundred, upon the principal sum specified in such bill.

4th. If such bill shall have been drawn upon any person or persons, at any port or place in Europe, ten dollars upon the hundred, upon the principal sum specified in such bill.

19. Such damages shall be in lieu of interest, charges of protest, and all other charges incurred previous to and at the time of giving notice of non-payment; but the holder of such bill shall be entitled to demand and recover lawful interest upon the aggregate amount of the principal sum specified in such bill, and of the damages thereon, from the time at which notice of protest for non-payment, shall have been given, and payment of such principal sum, shall have been demanded.

20. If the contents of such bill be expressed in the money of account of the United States, the amount due thereon, and of the damages herein allowed for the non-payment thereof, shall be ascertained and determined, without any reference to the rate of exchange, existing between this state and the place on which such bill shall have been drawn, at the time of the demand of payment, or of notice of non-payment.

21. If the contents of such bill be expressed in the money of account or currency of any foreign country, then the amount due, exclusive of the

damages payable thereon, shall be ascertained and determined by the rate of exchange, or the value of such foreign currency, at the time of the demand of payment.

22. Where a bill of exchange shall be protested for non-acceptance, the same rate of damages shall be allowed on the protest for non-acceptance, as provided in the four last sections; and shall be in lieu of interest, charges of protest, and all other charges incurred previous to, and at the time of giving notice of non-acceptance; but the holder shall be entitled to recover interest upon the aggregate amount of the principal sum specified in the bill and of the damages thereon, from the time at which notice of protest for non-acceptance shall have been given.

23. The damages allowed by this title, shall be recovered only by the holder of a bill who shall have purchased the same, or some interest therein, for a valuable consideration.

24. In all cases where a notice of non-acceptance of a bill of exchange, or non-payment of a bill of exchange, promissory note, or other negotiable instrument may be given by sending the same by mail, it shall be sufficient if such notice be directed to the city or town where the person sought to be charged by such notice resided at the time of drawing, making or indorsing such bill of exchange, promissory note or other negotiable instrument, unless such person at the time of affixing his signature to such bill, note or other negotiable instrument, shall in addition thereto specify thereon the post-office to which he may require the notice to be addressed.

25. Nothing in this act shall apply to bills of exchange, promissory notes, or other negotiable instruments made or drawn before this act takes effect.

26. The following days, viz: the first day of January, commonly called New Year's day, the fourth day of July, the twenty-fifth day of December, commonly called Christmas day, and any day appointed or recommended by the governor of this state, or the president of the United States, as a day of fast or thanksgiving, shall for all purposes whatsoever, as regards the presenting for payment or acceptance, and of the protesting and giving notice of the dishonor of bills of exchange, bank-checks and promissory notes, made after the passage of this act, be treated and considered as is the first day of the week, commonly called Sunday.

VII.—*Of the Interest of Money.*

1. The rate of interest upon the loan or forbearance of any money, goods or things in action, shall continue to be seven dollars upon one hundred dollars for one year, and after that rate for a greater or less sum, or for a longer or shorter time.

2. No person or corporation shall, directly or indirectly, take or receive in money, goods or things in action, or in any other way, any greater sum or greater value, for the loan or forbearance of any money, goods or things in action, than is above prescribed.

3. Every person who, for any such loan or forbearance, shall pay or deliver any greater sum or value than is above allowed to be received, and his personal representatives, may recover in an action against the person who shall have taken or received the same, and his personal representatives,

the amount of the money so paid or value delivered, above the rate aforesaid, if such action be brought within one year after such payment or delivery.

4. If such suit be not brought within the said one year, and prosecuted with effect, then the said sum may be sued for and recovered with costs, at any time within three years after the said one year, by any overseer of the poor of the town where such payment may have been made, or by any county superintendent of the poor of the county, in which the payment may have been made.

5. All bonds, bills, notes, assurances, conveyances, all other contracts or securities whatsoever, (except bottomry and respondentia bonds and contracts,) and all deposits of goods or other things whatsoever, whereupon or whereby there shall be reserved or taken, or secured or agreed to be reserved or taken, any greater sum, or greater value, for the loan or forbearance of any money, goods or other things in action, than is above prescribed, shall be void; but this act shall not affect such paper as has been made and transferred previous to the time it shall take effect.

6. Every person offending against the provisions of this title, shall be compelled to answer on oath any bill that may be exhibited against him in the court of chancery, for the discovery of any sum of money, goods, or things in action so taken, accepted or received, in violation of the foregoing provisions, or either of them.

7. Every person who shall discover and repay or return the money, goods, or other things so taken, accepted or received, or the value thereof, shall be acquitted and discharged from any other or further forfeiture, penalty or punishment, which he may have incurred, by taking or receiving the money, goods or other things so discovered and repaid, or returned, as aforesaid.

8. Whenever any borrower of any money, goods or things in action, shall file a bill in chancery for a discovery of the money, goods or things in action, taken or received, in violation of either of the foregoing provisions, it shall not be necessary for him to pay, or offer to pay, any interest whatever on the sum or thing loaned; nor shall any court of equity, require or compel the payment or deposit, of the principal sum, or any part thereof, as a condition of granting relief, to the borrower, in any case of a usurious loan forbidden by this chapter.

9. For the purpose of calculating interest, a month shall be considered the twelfth part of a year, and as consisting of thirty days; and interest for any number of days, less than a month, shall be estimated by the proportion which such a number of days shall bear to thirty.

10. Whenever, in any statute, act, deed, written or verbal contract, or in any public or private instrument whatever, any certain rate of interest, is or shall be mentioned, and no period of time is stated for which such rate is to be calculated, interest shall be calculated at the rate mentioned, by the year, in the same manner as if the words "per annum" or "by the year," had been added to such rate.

11. Whenever in an action at law the defendant shall plead or give notice of the defence of usury, and shall verify the truth of his plea or notice by affidavit, he may, for the purpose of proving the usury, call and examine the plaintiff as a witness, in the same manner as other witnesses may be called and examined.

12. Every person offending against the provisions of the said title or of this act, may be compelled to answer on oath any bill that shall be exhibited against him, in the court of chancery, for relief, or discovery, or both.

13. Whenever any borrower of money, goods, or things in action, shall file a bill in chancery for relief or discovery, or both, against any violation of the provisions of the said title or of this act, it shall not be necessary for him to pay or offer to pay any interest or principal on the sum or thing loaned; nor shall any court of chancery require or compel the payment or deposit of the principal sum or interest, or any portion thereof, as a condition of granting relief or compelling or discovering to the borrower in any case, usurious loans forbidden by said title or by this act.

14. Whenever it shall satisfactorily appear by the admissions of the defendant, or by proof, that any bond, bill, note, assurance, pledge, conveyance, contract, security, or any evidence of debt, has been taken, or received in violation of the provisions of said title or of this act, the [supreme] court shall declare the same to be void, enjoin any prosecution thereon, and order the same to be surrendered and cancelled.

15. Any person who shall directly or indirectly receive any greater interest, discount, or consideration than is prescribed in the said title, and in violation of the provisions of said title or of this act, shall be deemed guilty of a misdemeanor, and on conviction thereof, the person so offending shall be punished by fine not exceeding one thousand dollars, or imprisonment not exceeding six months, or both.

16. It shall be the duty of all courts of justice to charge the grand jury especially to inquire into any violations of the provisions of the said title or of this act.

17. Every plaintiff examined as a witness pursuant to the provisions of this act, or any defendant under the provisions of this act, who shall swear falsely, shall, upon conviction thereof, suffer the pains and penalties of wilful and corrupt perjury; but the testimony given by any plaintiff, or the answer of any defendant, made pursuant to the said title or of this act, shall not be used against such person before any grand jury, or on the trial of any indictment against such person.

18. So much of title third, chapter fourth and part second of the Revised Statutes, as is inconsistent with the provisions of this act, is hereby repealed.

19. No corporation shall hereafter interpose the defence of usury in any action.

20. The term corporation, as used in this act, shall be construed to include all associations and joint stock companies having any of the powers and privileges of corporations not possessed by individuals or partnerships.

VIII.—*Injunction.*

224. An injunction to suspend the general and ordinary business of a corporation, shall not be granted, except by the court or a judge thereof. Nor shall it be granted, without due notice of the application therefor, to the proper officers of the corporation, except where the people of this State are a party to the proceeding, and except in proceedings to enforce the liability of stockholders in corporations and associations for banking purposes

after the first day of January, one thousand eight hundred and fifty, as such proceedings are or shall be provided by law, unless the plaintiff shall give a written undertaking, executed by two sufficient sureties, to be approved by the court or judge, to the effect that the plaintiff will pay all damages, not exceeding the sum to be mentioned in the undertaking, which such corporation may sustain, by reason of the injunction, if the court shall finally decide that the plaintiff was not entitled thereto. The damages may be ascertained by a reference or otherwise, as the court shall direct.

225. If the injunction be granted by a judge of the court, or by a county judge, without notice, the defendant at any time before the trial, may apply, upon notice, to a judge of the court in which the action is brought, to vacate or modify the same. The application may be made upon the complaint and the affidavits on which the injunction was granted, or upon affidavits on the part of the defendant, with or without the answer.

IX.—Of Proceedings against Corporations, in Equity.

47. Whenever any corporation having banking powers, or having the power to make loans on pledges or deposits, or authorized by law to make insurances, shall become insolvent or unable to pay its debts, or shall have violated any of the provisions of its act or acts of incorporation, or of any other act binding on such corporation, the supreme court may, by injunction, restrain such corporation, and its officers, from exercising any of its corporate rights, privileges or franchises, and from collecting or receiving any debt or demands, and from paying out, or in any way transferring or delivering to any person any of the moneys, property or effects of such corporation, until such court shall otherwise order.

48. Such injunction may be issued on the application of the Attorney General, in behalf of this state, or of any creditor or stockholder of such corporation, upon action commenced for that purpose, and upon due proof of any of the facts in the last section required, to authorize the issuing of the same.

49. Upon such application being made, and in any stage of the proceedings thereupon, the court may appoint one or more receivers, to take charge of the property and effects of such corporation, and to collect, sue for and recover the debts and demands that may be due, and the property that may belong to such corporation; who shall, in all respects, be subject to the control of the court.

50. Such receiver shall possess all the powers and authority conferred, and be subject to all the obligations and duties imposed, in article third of this title, upon receivers appointed in case of the voluntary dissolution of a corporation.

51. If such application be made by a creditor of any corporation, whose directors or stockholders are made liable by law for the payment of such debt, in any event or contingency, such directors or stockholders may be made parties to the bill, either on the filing thereof, or in any subsequent stage of the proceedings, whenever it shall become necessary to enforce such liability.

52. If any creditor of a corporation desire to make such directors or stockholders parties to the suit, after a decree therein against the corpora-

tion, he may do so, on a supplemental complaint against them, founded upon such decree; and if such decree was rendered in a proceeding instituted by the attorney-general, such creditor may, on his application, be made complainant therein, with or instead of the attorney-general, and may, in like manner, make the directors and stockholders sought to be charged, defendants in such suit.

Of Proceedings by and against Corporations in Courts of Law.

1. A foreign corporation created by the laws of any other state or country, may, upon giving security for the payment of the costs of suit, prosecute in the courts of this state, in the same manner as corporations created under the laws of this state.

2. But where, by the laws of this state, any act is forbidden to be done by any corporation or by any association of individuals, without express authority by law, and such act shall have been done by a foreign corporation, it shall not be authorized to maintain any action founded upon such act, or upon any liability or obligation, express or implied, arising out of, or made or entered into, in consideration of, such act.

X.—Of Forgery.

22. Every person who shall be convicted of having forged, counterfeited, or falsely altered,

1st. Any will of real or personal property, or any deed or other instrument being or purporting to be the act of another, by which any right or interest in real property shall be or purport to be transferred, conveyed, or in any way changed or affected:

2d. Any certificate or endorsement of the acknowledgment by any person of any deed or other instrument which by law may be recorded, made, or purporting to have been made by any officer duly authorized to make such certificate or endorsement: or,

3d. Any certificate of the proof of any deed, will, or other instrument, which by law may be recorded, made, or purporting to have been made, by any court or officer duly authorized to make such certificate:

With intent to defraud, shall be adjudged guilty of forgery in the first degree.

23. Every person who shall have been convicted of having forged, counterfeited, or falsely altered,

1st. Any certificate or other public security, issued or purporting to have been issued under the authority of this state, by virtue of any law thereof; or any bill of credit heretofore issued by or under the authority of the legislature of this state, or purporting to have been so issued; by which certificate, bill or other public security, the payment of any money absolutely, or upon any contingency, shall be promised, or the receipt of any money, goods or valuable thing, shall be acknowledged: or,

2d. Any certificate of any share, right or interest in any public stock, created by virtue of any law of this state, issued or purporting to have been issued by any public officer; or any other evidence of any debt or liability of the people of this state, either absolute or contingent, issued or purporting to have been issued by any public officer: or,

3d. Any endorsement or other instrument, transferring or purporting to transfer the right or interest of any holder of any such certificate, public security, bill of credit, certificate of stock, evidence of debt, or liability, or of any person entitled to such right or interest:

With the intent to defraud the people of this state, or any public officer thereof, or any other person, shall be adjudged guilty of forgery in the first degree.

24. Every person who shall forge or counterfeit the great or privy seal of this state; the seal of any public office authorized by law; the seal of any court of record, including surrogates' seals; or the seal of any body corporate, duly incorporated by or under the laws of this state; or who shall falsely make or forge or counterfeit any impression purporting to be the impression of any such seal; with the intent to defraud, shall, upon conviction, be adjudged guilty of forgery in the second degree.

25. Every person who, with intent to defraud, shall falsely alter, destroy, corrupt or falsify,

1st. Any record of any will, conveyance or other instrument, record of which shall by law be evidence: or,

2d. Any record of any judgment in a court of record, or any enrolment of any decree of a court of equity: or,

3d. The return of any officer, court or tribunal, to any process of any court:

Shall upon conviction, be adjudged guilty of forgery in the second degree.

26. Every person who shall falsely make, forge or alter, any entry in any book of records, or any instrument purporting to be any record or return specified in the last section; with intent to defraud, shall, upon conviction, be adjudged guilty of forgery in the second degree.

27. If any officer authorized to take the proof or acknowledgment of any conveyance of real estate, or of any other instrument which by law may be recorded, shall wilfully and falsely certify that any such conveyance or instrument was acknowledged by any party thereto, when in truth no such acknowledgment was made; or that any such conveyance or instrument was proved, when in truth no such proof was made, he shall, upon conviction, be adjudged guilty of forgery in the second degree.

28. Every person who shall be convicted of having counterfeited any of the gold or silver coins, which shall be at the time current by custom or usage within this state, shall be adjudged guilty of forgery in the second degree.

29. Every person who shall be convicted of having counterfeited any gold or silver coins of any foreign government or country, with the intent of exporting the same, to injure or defraud any foreign government or the subjects thereof, shall be deemed guilty of forgery in the third degree.

30. Every person who shall be convicted of,

1st. Having made or engraved, or having caused or procured to be made or engraved, any plate in the form or similitude of any promissory note, bill of exchange, draft, check, certificate of deposit, or other evidence of debt, issued by any incorporated bank in this state, or by any bank incorporated under the laws of the United States, or of any state or territory

thereof, or under the laws of any foreign country or government, without the authority of such bank: or,

2d. Having or keeping in his custody or possession, any such plate, without the authority of such bank, with the intent of using or having the same used for the purpose of taking therefrom any impression to be passed, sold or uttered: or,

3d. Having or keeping in his custody or possession, without the authority of such bank, any impression taken from any such plate, with intent to have the same filled up and completed for the purpose of being passed, sold or uttered: or,

4th. Having made or caused to be made, or having in his custody or possession any plate upon which shall be engraved any figures or words, which may be used for the purpose of falsely altering any evidence of debt issued by any such incorporated bank, with the intent of having the same used for such purpose:

Shall be adjudged guilty of forgery in the second degree.

31. Every plate specified in the last section shall be deemed to be in the form and similitude of the genuine instrument imitated, in either of the following cases:—

1st. When the engraving on such plate resembles and conforms to such parts of the genuine instrument as are engraved; or,

2d. When such plate shall be partly finished, and the part so finished, resembles and conforms to similar parts of the genuine instrument.

32. Every person who shall be convicted,

1st. Of having sold, exchanged or delivered for any consideration, any forged or counterfeited promissory note, check, bill, draft, or other evidence of debt or engagement, for the payment of money absolutely, or upon any contingency, knowing the same to be forged or counterfeited, with the intention to have the same uttered or passed; or,

2d. Of having offered any such note or other instrument for sale, exchange or delivery for any consideration, with the like knowledge and with the like intention; or,

3d. Of having received any such note or other instrument upon a sale, exchange, or delivery, for any consideration, with the like knowledge, and with the like intention:

Shall be adjudged guilty of forgery in the second degree.

33. Every person who, with intent to injure or defraud, shall falsely make, alter, forge, or counterfeit,

1st. Any instrument or writing, being, or purporting to be, any process issued by any competent court, magistrate or officer; or being, or purporting to be, any pleading or proceeding filed or entered in any court of law or equity; or being, or purporting to be, any certificate, order or allowance by any competent court or officer; or being, or purporting to be, any license or authority authorized by any statute:

2d. Any instrument or writing, being, or purporting to be, the act of another, by which any pecuniary demand or obligation shall be, or shall purport to be, created, increased, discharged or diminished, or by which any rights or property whatever, shall be, or purport to be, transferred, conveyed, discharged, diminished, or in any manner affected, the punishment of which is not herein before prescribed:

By which false making, forging, altering, or counterfeiting, any person

may be affected, bound, or in any way injured in his person or property, upon conviction thereof, shall be adjudged guilty of forgery in the third degree.

34. Every person who, with intent to defraud, shall make any false entry, or shall falsely alter any entry made in any book of accounts kept in the office of the comptroller of this state, or in the office of the treasurer, or of the state engineer and surveyor, or of any county treasurer, by which any demand or obligation, claim, right or interest, either against, or in favor of the people of this state, or any county or town, or any individual, shall be, or shall purport to be discharged, diminished, increased, created, or in any manner affected, shall, upon conviction, be adjudged guilty of forgery in the third degree.

35. Every person who, with intent to defraud, shall make any false entry, or shall falsely alter any entry made in any book of accounts kept by any moneyed corporation within this state, or in any book of accounts kept by any such corporation, or its officers, and delivered or intended to be delivered to any person dealing with such corporation, by which any pecuniary obligation, claim or credit, shall be, or shall purport to be, discharged, diminished, increased, created, or in any manner affected, shall, upon conviction, be adjudged guilty of forgery in the third degree.

36. Every person who shall have in his possession any forged, altered, or counterfeit negotiable note, bill, draft, or other evidence of debt, issued or purporting to have been issued by any corporation or company duly authorized for that purpose by the laws of the United States or of this State, or of any other State, government or country, the forgery of which is hereinbefore declared to be punishable, knowing the same to be forged, altered, or counterfeited; with intent to utter the same as true or as false, or to cause the same to be so uttered, with intent to injure or defraud, shall, upon conviction, be subject to the punishment herein prescribed for forgery in the second degree.

37. Every person who shall have in his possession any forged or counterfeited instrument, the forgery of which is hereinbefore declared to be punishable (except such as are enumerated in the last section), knowing the same to be forged, counterfeited, or falsely altered, with intention to injure or defraud, by uttering the same as true or as false, or by causing the same to be so uttered, shall be subject to the punishment herein provided for forgery in the fourth degree.

38. Every person who shall have in his possession any counterfeit of any gold or silver coin which shall be at the time current in this state, knowing the same to be counterfeited, with intention to defraud or injure by uttering the same as true or as false, or by causing the same to be so uttered, shall, upon conviction, be adjudged guilty of forgery in the fourth degree.

39. Every person who shall be convicted of having uttered and published as true, and with intent to defraud, any forged, altered, or counterfeited instrument, or any counterfeit gold or silver coin, the forging, altering, or counterfeiting of which is hereinbefore declared to be an offence, knowing such instrument or coin to be forged, altered or counterfeited, shall suffer the same punishment herein assigned for the forging, altering, or counterfeiting the instrument or coin so uttered, except as in the next section specified.

40. But if it appear on the trial of the indictment, that the accused re-

ceived such forged or counterfeited instrument or coin of another, in good faith, and for a good or valuable consideration, without any circumstances to justify a suspicion of its being forged or counterfeited, the jury may find the defendant guilty of forgery in the fourth degree.

41. If any one shall, with intent to injure or defraud, make any instrument in his own name, intended to create, increase, discharge, defeat, or diminish any pecuniary obligation, right, or interest, or to transfer or affect any property whatever, and shall utter or pass it, under the pretence that it is the act of another who bears the same name; he shall, upon conviction, be adjudged guilty of forgery in the same degree as if he had forged the instrument of a person bearing a different name from his own.

42. Persons convicted of the different degrees of forgery herein specified, shall be punished as follows:

1st. Those convicted of forgery in the first degree, by imprisonment in a state prison for a term not less than ten years:

2d. Those in the second degree, by the like imprisonment, not more than ten and not less than five years:

3d. Those in the third degree, by the like imprisonment, not exceeding five years:

4th. Those in the fourth degree, by the like imprisonment, not exceeding two years, or by imprisonment in a county jail not exceeding one year.

43. The total erasure or obliteration of any instrument or writing, with intent to defraud, by which any pecuniary obligation, or any right, interest, or claim to property, shall be or shall be intended to be created, increased, discharged, diminished, or in any manner affected, shall be deemed forgery, in the same manner and in the same degree as the false alteration of any part of such instrument or writing.

44. Where different parts of several genuine instruments shall be so placed or connected together as to produce one instrument, with intent to defraud, the same shall be deemed forgery in the same manner and in the same degree as if the parts so put together were falsely made or forged.

45. Every instrument partly printed and partly written, or wholly printed, with a written signature thereto; and every signature of an individual, firm, or corporate body, or of any officer of such body, and every writing purporting to be such signature; shall be deemed a writing and a written instrument within the meaning of the provisions of this chapter.

46. Whenever, by any of the foregoing provisions, an intent to defraud is required to constitute forgery, it shall be sufficient if such intent appear to defraud the United States, any state or territory, any body corporate, any county, city, town, or village, or any public officer in his official capacity, any copartnership, or any one of such partners, or any real person whatever.

47. The false making, forging, or counterfeiting of any evidence of debt, issued, or purporting to have been issued, by any corporation having authority for that purpose, to which shall be affixed the pretended signature of any person as an agent or officer of such corporation, shall be deemed forgery in the same degree and in the same manner as if such person was at the time an officer or agent of such corporation: notwithstanding such person may never have been an officer or agent of such corporation, or notwithstanding there never was any such person in existence.

SIGHT BILLS—NOTARIES PUBLIC, &c.

The following Act was passed April, 1857, by the Legislature of New York:

SEC. 1. All bills of exchange or drafts, drawn payable at sight, at any place within this State, shall be deemed due and payable on presentation, without any days of grace being allowed thereon.

SEC. 2. All checks, bills of exchange or drafts, appearing on their face to have been drawn upon any bank or upon any banking association or individual banker, carrying on banking business under the act to authorize the business of banking, which are on their face payable on any specified day, or in any number of days after the date or sight thereof, shall be deemed due and payable on the day mentioned for the payment of the same, without any days of grace being allowed, and it shall not be necessary to protest the same for non-acceptance.

SEC. 3. Whenever the residence or place of business of the endorser of a promissory note, or of the drawer or endorser of a check, draft or bill of exchange, shall be in the city or town, or whenever the city or town indicated under the endorsement or signature of such endorser or drawer, as his or her place of residence, or whenever in the absence of such indication, the city or town where such endorser or drawer, from the information obtained by diligent inquiry, is reputed to reside or have a place of business, shall be the same city or town where such promissory note, check, draft or bill of exchange is payable or legally presented for payment or acceptance, all notices of non-payment and of non-acceptance of such promissory note, check, draft or bill of exchange may be served by depositing them, with the postage thereon prepaid, in the post-office of the city or town where such promissory note, check, draft or bill of exchange was payable or legally presented for payment or acceptance, directed to the endorser or drawer at such city or town.

SEC. 4. This Act shall take effect on the first day of July next, but shall not apply to any bills of exchange, checks, drafts or promissory notes bearing date prior to that time.

The Modified Usury Law.—The modified Usury Law, as passed by the last Legislature, went into effect on the first of the present month. By this law, money can be borrowed and loaned, according to the terms agreed upon by the parties. There is no restriction with regard to the rate. This is as it should be. There are times and seasons when money may be very valuable to an individual for a few days, and when he may feel justified in giving a remarkably high rate of interest. There may be other periods, as at present, when the regular rates are unusually low. But in a matter of this kind there should be no legal restriction. And hence the policy and propriety of the new law. It cannot but exercise a beneficial influence, and afford facilities which have not heretofore existed.—*Philadelphia Inquirer*, July 2d.

ENGLISH COLONIAL BANKS.

A Parliamentary return gives the following particulars as to the existing Colonial Banks:

I. *West Indies, &c.*—Among the Leeward Islands, St. Kitt's and Dominica have respectively a branch of the Colonial Bank incorporated by royal charter. In Montserrat, Nevis, and the Virgin Islands no banking company is established. At the Cape of Good Hope there are nineteen banks, all unincorporate, and with unlimited liability. In the Falkland Islands there is no bank.

II. *China.*—At Hong Kong there is a branch of the Oriental Bank, which is a chartered corporation, with liability limited to double the amount of the share, and a branch of the Agra and United Service, on the constitution of which the agent gives no particulars. The Canton branch of the Commercial Bank of India, which is unincorporate, and with unlimited liability, is temporarily located at this settlement during the war with China.

III. *India.*—The Mercantile Bank of India, which, although possessing a charter, has unlimited liability, is likewise established there. At Mauritius there is the Commercial Bank, with liability limited to double the amount of the share, and a Branch of the Oriental Bank.

IV. *Natal.*—At Natal there is one bank, under the name of the Natal Bank, incorporated by the local Legislature, with liability to double the amount of the share.

V. *New South Wales.*—In New South Wales there are eight—the Australian Joint-Stock, the Bank of New South Wales, the Commercial Banking Company, the Oriental Bank Corporation, the London Chartered of Australia, the English, Scottish, and Australian Chartered, the Bank of Australasia, and the Union Bank of Australia, all incorporated, with liability limited to twice the subscription, except the latter, which is unincorporate with unlimited liability. In South Australia there are three—the South Australian Banking Corporation, and the Bank of Australasia, both incorporated, and with liability limited to double the subscription; and the Union Bank of Australia, unincorporate, and unlimited. In Tasmania (Van Diemen's Land) the number is five—the Commercial, the Bank of Van Diemen's Land, the Bank of Tasmania, and the Union of Australia, all unincorporate, and unlimited; and the Bank of Australasia, incorporated, and limited to double the subscription. In Victoria there are eight—namely, the Union of Australia, unlimited, and not incorporated; the Bank of New South Wales, the Bank of Australasia, the Oriental Bank, the English, Scottish, and Australian Chartered, the London Chartered, the Colonial of Australasia, and the Bank of Victoria, all incorporated, and limited to double the subscription. In Western Australia there is only one, the Western Australian, and in this the liability is unlimited.

THE PREVENTION OF COUNTERFEITING.

A new Security for protecting bank notes from alterations and photographic counterfeits, by the use of the Patent Green Tint conjointly with Black Carbon ink, as printed by RAWDON, WRIGHT, HATCH & EDSON, Bank Note Engravers, New York. New York. Published by W. H. ARTHUR & Co., 1858.

The community is fully aware of the importance of adopting measures for the prevention of counterfeiting bank notes. The banks have not, however, adopted such means as were in their power to promote this object. The formation, in Boston, of the "Association for the Prevention of Counterfeiting" should have, as members, every banking concern in the Union; and the combined efforts of such an association, with increased numbers, might lead to the most desirable results.

The above-mentioned pamphlet purports to make known the discovery of an ink that will "furnish the most perfect possible protection" against fraudulent or counterfeit notes. As it is purely a matter of scientific investigation, it would not become us to affirm or deny the proposition urged by Messrs. Rawdon, Wright, Hatch & Edson, whose established character for integrity and artistic talent is such as to entitle their plan to practical examination. To say the least, it is an obvious improvement upon the ordinary process of bank note printing. The following is the address of these gentlemen "to the Banking Institutions of the United States : "

"In consequence of the great danger to our paper currency from successful counterfeits, made by photography and kindred processes, it has become evident, that a NEW SECURITY is needed, which, while it shall perfectly protect our bank notes from photographic imitations, and from alterations in their denominational value, shall, at the same time, preserve that security which is always afforded by artistic and highly finished engraving.

"The undersigned beg leave respectively to announce to the Banking Institutions of the United States, that they have carefully investigated this subject, and that they are now prepared to furnish the most perfect possible protection against all the above descriptions of fraud.

"The process consists in the use of TWO PERMANENT INKS, conjointly, in printing bank notes, and other documents representing value. One of these is the ordinary BLACK bank note printing ink, which, having a basis of carbon, is insoluble and indestructible; the other is an equally insoluble and indestructible GREEN-COLORED INK, which cannot be removed from the paper, without also removing the black ink, and thus destroying the note.

"It is an established principle in photographic chemistry, that red, yellow, and green colors act upon photographic plates almost precisely like black; so that lines or figures of these colors will appear black in photographic copies. The use of colors has, therefore, been resorted to as a protection against photographic counterfeiting. Unfortunately, however, all the colored inks heretofore used upon bank notes, for this purpose, as red, yellow, and blue, can be removed with more or less facility, by chemical

means, without disturbing the note itself, when printed in the black carbon ink. These colorings being removed, the *black* can be copied by photography: and the *colors* being afterwards added by lithography, or otherwise, a COUNTERFEIT is obtained, which is the more dangerous from the fancied security afforded by the colors.

"The use of fugitive black or blue inks, printed upon a colored ground, has been resorted to as a protection against photography. But these inks are liable to fade on exposure to light or air; and as it is possible to efface from notes thus printed the black design, by chemical means, without disturbing the red or yellow ground, and to print another in its place, the use of fugitive inks affords great facilities for alterations; while the distinctive characteristics of fine engraving are lost, and the note is rendered easier of imitation by the ordinary counterfeiter, and its detection more difficult.

"The use of the BLACK CARBON INK, above referred to, for printing bank notes, conjointly with an equally INSOLUBLE AND INDESTRUCTIBLE COLORED INK, in connection with the highest style of line engraving, would unite, in the greatest degree, the best safeguards against all the various species of fraud to which surety paper is exposed.

"A bank note thus printed in TWO PERMANENT INKS, would be protected against the possibility of imitation by photography, and by the lithographic and anastatic processes of copying; while its denominational value could not be altered by any chemical means. Such a note could also be made to unite the security afforded by the highest artistic excellence, against counterfeiting by the engraving process; and the beauty of design and general appearance of the note would be preserved.

"The GREEN-COLORED INK, recently patented, has been submitted to the examination of several of our most distinguished chemists, and other gentlemen, who, from their practical experience, are competent to decide a question of this kind. They have subjected it to the most severe tests known to chemical science; and the ink having been pronounced by them to possess the requisite properties, we offer it, with entire confidence, as affording the desired protection when applied in the manner above proposed."

In support of the assertions of Messrs. Rawdon, Wright, Hatch & Edson, they publish the certificates of the most able professors of chemistry in the United States. Among these we may name Professors B. Silliman, Jr., of Yale College; E. N. Horsford, of Harvard University; Wolcott Gibbs, of the N. Y. Free Academy; Joseph I. Henry, of the Smithsonian Institution.

Prof. JOHN TORREY, of *New York*, says:

"I have made a careful examination of the Bank Notes, printed with the new GREEN INK, called the *Canada Bank Note Printing Tint*, conjointly with the BLACK CARBON INK. All the tests mentioned in your letter, besides all others known to me, were applied to the Green Ink; but it resisted every one of them. The green compound is insoluble and indestructible by all chemical agents, except such as will destroy the paper itself. Neither is it possible to change the color. Like all other inks, this may, by mechanical means and with much labor, be removed from the paper; but the black carbon ink will be removed at the same time. I found it was impracticable to efface the one color without obliterating the other.

"The invention of this PERMANENT GREEN INK is a very happy one, and

the best for the object contemplated that has come to my knowledge. The material which is the basis of the Ink, is the only available indestructible colored body known to me, that is suitable for the exceedingly important end you have in view."

Prof. B. SILLIMAN, jr., of *Yale College Laboratory*, says:

"I have made a careful examination of the *Green Tinted Bank Notes*, both with reference to the permanence and unalterable nature of the GREEN INK, and also in regard to its anti-photographic power. The black carbon ink in which black engravings are usually printed, is, as is well known, proof against change of color by any chemical agent, and can be removed from the paper on which it is printed only by mechanical means.

"All other colors hitherto employed in bank note printing—as blue yellow and red—may be removed or changed by chemical means, without injury to the paper on which they are printed. Until the introduction of the GREEN INK, first brought to my notice by yourselves, we were unacquainted with any ink, except black, which could not be removed by chemical means from the surface of the paper on which it had been printed. I have submitted this GREEN INK to the continued and successive action of all the most energetic agents known to chemists, both reducing and oxidizing agents and solvents; and it has withstood them all. This ink is a compound, and theoretically, therefore, it can be decomposed; but this result cannot be attained without the entire destruction of the paper. By mechanical means, aided by the presence of alkalies, it may be removed, but not without also removing the BLACK CARBON INK at the same time.

"The anti-photographic power of the GREEN INK is so considerable, that, when properly applied, it will, in my judgment, afford an EFFECTUAL BAR to fraud in this most dangerous direction; as it enables us now, by the use of two PERMANENT COLORS, (black and green,) to obtain the best anti-photographic results, which have hitherto been attained only by the use of fugitive colors."

Mr. WOLCOTT GIBBS, Professor of Chemistry and Physics in the Free Academy in New York, says:

"I have made a series of careful experiments upon the GREEN INK, known as the "*Canada Bank Note Printing Tint*." My investigation was conducted with special reference to two points. In the first place, it was necessary to determine whether the green pigment employed could in any manner be changed by the action of chemical agents, so as either to be dissolved or to lose its color. And, secondly, whether the green and black inks, which it is proposed to employ together, are equally indestructible when applied to paper, so that it may not be possible to remove one without affecting the other.

"With respect to the first of these two points, there can be no reasonable doubt that the basis of the GREEN INK, when properly prepared, may be considered indestructible and unchangeable; since, as is well known to chemists, and as I have satisfied myself by new and specially devised experiments, it can only be acted on by long boiling with concentrated oil of vitriol, or by fusion with powerfully oxidizing agents. The color moreover is a full and distinct green, which does not fade or bleach on exposure to light; it unites well with oil, and the ink has sufficient body to give the requisite distinctiveness to the designs printed with it.

"My experiments have further shown that when the green pigment has been prepared and applied in the manner which you propose, it is not possible to remove it from the paper, without, at the same time, so far removing the black ink, as to render it impossible to obtain even a tolerable photographic copy of the black portions of the note. It must be borne in mind that photographs of a bank note printed in two colors, whether taken by transmitted or reflected light, exhibit but a single color. I am therefore of opinion that your mode of printing with this particular GREEN INK, will afford a good and sufficient security against counterfeiting by photography."

Professor HORSFORD of Cambridge, says:

"The basis of the GREEN INK is insoluble in any chemical re-agent which will not at once destroy bank note paper. If the GREEN INK be properly prepared, the impression made with it will be as imperishable as that made with black ink; and neither can be removed from a given surface upon which both have been impressed, without at the same time removing the other. As the green coloring matter intercepts light, it is an obvious protection against photographic copying, since the green and black impressions on the bill will both appear black in the photographic copy. As both inks will act alike on lithographic stones and zinc plates, the GREEN INK furnishes a manifest protection against both the lithographic and anastatic methods of copying.

"I regard the device of GREEN INK as affording increased protection to surety paper."

"Smithsonian Institution, August 4th, 1857.

"GENTLEMEN:—Accompanying this we send you a copy of a Report from Dr. Hilgard, relative to the examination of bank notes, which I consider entirely reliable, and trust will be of value in your business operations.

"I am, very respectfully, Your obedient serv't,

"JOSEPH HENRY.

"Messrs. RAWDON, WRIGHT, HATCH & EDSON, *New-York.*"

Dr. HILGARD of the Smithsonian Institution, says:

"I have examined the specimens of bank notes printed in green and black, sent by Messrs. Rawdon, Wright, Hatch & Edson, with reference to determining whether or not the use of the GREEN INK, conjointly with the black, offers protection against counterfeiting, and I have arrived at the following results. The GREEN INK contains a base which, when properly prepared, is insoluble and unalterable under any circumstances, or by any chemical agents not involving the complete destruction of any paper or other organic tissue, so far as known at present. I find that when this substance is reduced to a proper state of mechanical division, the ink prepared from it will adhere to the paper quite as firmly as the common carbon ink; so that when both inks are jointly used on the same paper, one cannot be removed without the other, by any chemical or mechanical means known. At the same time, the contrast of the two colors is such as not to escape the most casual glance:

"When prepared with the same kind of oil, neither of them can be transferred without the other, to either the stone or zinc plate, from a paper surface printed with both; hence it is obvious that, when the two differently

colored designs are properly complicated and interlaced, neither the lithographic nor anastatic copying processes can be of any use, except to produce notes of a single tint, which could not deceive any one.

"The most important point, however, which is gained by the joint use of these two permanent inks, is the prevention of photographic counterfeiting. For in attempting to photograph one of these notes, both the black and the green design will be reproduced in black only, or possibly, some other *one* color, but never *two*, so long as the art of photographing objects in their natural colors remains a problem unsolved. In the photographic copy the green part of the design will, indeed, appear somewhat lighter than the black; but the joint use of these two inks cannot but be considered as an improvement highly important and useful, and as affording the best security against counterfeiting (independently of legislation) which has thus far been offered to the public."

We add a letter received from Mr. LYMAN, Manager of the New York Clearing House.

"GENTLEMEN: The want of some better protection for the security of bank notes from counterfeits and alterations, must have been felt by all bankers who have given the subject attention. While it is admitted that the art of bank note engraving and printing has been brought to greater perfection in this than in any other country, still counterfeits and altered bank notes are constantly put into circulation, and by them both the banks and the public suffer much loss.

"The discoveries of science have aided the counterfeiter, and enable him to imitate, with much ease, a large class of the bank notes now in circulation, which had been considered perfectly secured. The wonderful art of producing and copying pictures, through the agency of light, by photographic and kindred processes, has recently been so perfected and simplified as to have seriously endangered all paper currency. By cheap, simple, and rapid methods, the most elaborate and highly executed engraving of the artist, the most beautiful bank note, bearing upon its face the imprint of the talent of many artists exhibited in all the various branches of the engraver's art, and combined in the most skilful and artistic manner, may be faithfully and minutely copied in a few minutes, and multiplied to any extent, thus nearly destroying the security which has been afforded by beauty of design, artistic execution, and combined and varied talent. The security of the public against the abuse of this new and beautiful art, has occupied the attention of bank note engravers, and has given them no little trouble. It was for a time thought that printing portions of notes in red or yellow colored ink would protect them; but it was found easy to remove from the face of the note the colored ink, without injury to the black ink or the paper. Printing with fugitive inks of different colors, but of like chemical affinities, has been highly recommended as a protection; and some of the plans proposed, based upon the principle of printing with different colored inks, alike fugitive, and which would be removed from the paper by the action of the same chemical reagents, appeared at first to afford entire protection. The best of these plans does make counterfeiting by photographic, anastatic, or lithographic processes, nearly if not quite impossible; but the use of all fugitive inks rather facilitates the alteration of notes, through the ease with which they are removed; nor do they wear well, the impression soon becoming blurred and indistinct. The fugitive inks that I have seen appear

to want body, and do not give as clear, strong impressions as the inks commonly used, which are much more permanent and durable.

"After a careful examination of all the protections yet proposed, I am satisfied that the green tint, introduced by your house, and used upon your patent anti-photographic bank notes, is much the best yet discovered. In the specimens I have examined, you have printed with the green ink a pleasing and laborate tint upon the face of the note, in which you have effectually introduced securities against alteration, and upon which you have printed the note proper with the black carbon ink commonly used, and which is known, by long experience, to give the best impression from the engraved plate, and to wear as long as the paper upon which it is printed. I am convinced, by the experiments that I have made and witnessed, that it is impossible to remove the green tint without also removing the black ink or destroying the paper, and that the green ink is as durable and permanent as is the black. The only photographic copy that could be obtained from notes thus secured, would be an indistinct and confused copy in a single color, which could not be mistaken for a bank note; and any attempt to copy them by the anastatic or lithographic process would prove abortive for the same reasons. I have no hesitation in recommending your patent green tint bank note protection, as well worthy of the attention of bank officers.

"Respectfully yours,

GEO. D. LYMAN."

MR. CHARLES D. FREDRICKS, Photographer, Broadway, New York, says:

"I have made numerous experiments, by various processes, upon the green-tinted bank notes submitted by you, for the purpose of determining the Anti-Photographic power of the green ink in which they were printed.

"The result is that in all cases, the portions printed in green, as well as those printed in black, appear only in black in the photographic copy. And I do not hesitate to say, that it is impossible to make a counterfeit by photography of any bank note upon which this green tint is printed by you, in connection with the black ink ordinarily used in printing bank notes."

"We, the undersigned, have assisted in making the experiments referred to, and fully concur in the opinion above expressed.

G. PENABERT,

VICTOR PIARD,

"Photographic Operators for Mr. Fredricks."

MR. B. HUFNAGEL, Photographer, 413 Broadway, New York, says:

"I have made many experiments photographically, upon bank notes, printed in the Patent Green Tint, combined with the ordinary black printing ink, and in *every instance*, the parts printed in the green colored ink appear black in the photographic copy.

"I have found it impossible to make a photographic copy of notes printed in that manner, that will exhibit more than one shade of color, and from my knowledge of the principles of photographic chemistry, I do not believe there is any process known by which it can be done."

Our readers will bear in mind that a report upon the new Carbon Ink was made by the New England Association for the Prevention of Counterfeiting, unfavorable to the new process. The matter is of sufficient importance for the Clearing House of New York to inquire into, and should be thoroughly investigated.

ORGANIZATION OF DEBT INTO CURRENCY.

This work is being vigorously pressed forward by the New York city banks, they having increased their loans from \$96,000,000 in October last, to \$120,000,000 at the present date—7th July. By our unnatural system the deposits and circulation of the banks constitute the medium of exchange, and these have been increased in New York city since last October, from \$61,000,000 to \$114,000,000. The large reserves of gold with the continued receipts from California, indicate that there will be a much greater expansion before they can be exhausted. The deposits and circulation are not money but *currency*, the most effective portion of which consists of the deposits; for, through the medium of the deposits, all the larger transactions of commerce are accomplished.

It is a common error in estimating the currency to omit the deposits, for by the magic of our system the borrower often or generally becomes the lender and depositor of currency. Although both borrower and lender cannot have the same dollar at the same time, both are privileged to check upon it, and may offer it for purchases; thus it produces the same effect upon market prices, by degrading the exchange value of money, as double the amount of gold and silver in the hands of individuals. A sum thus available at sight by a check on the bank, is as much currency as the bank note deposited in one's pocket.

The real lender who deposits his money in bank, if a buyer in market of any thing, creates a competitor with his own money. According to the homely saying, he "lends a stick to break his own head." The balance of cash on hand of both borrowers and lenders, is in the deposits, they are convertible into specie on demand, *if not demanded too largely and too fast*; they pass from hand to hand in checks, are used for purchases like coin, and in competition with coin, and the banks discount upon them as upon their circulation or their specie: in short they are *bank debt organized into currency*, differing only in form from the circulation: the latter consists of certificates issued for a portion of the debt, while the former is that portion of the same for which certificates are not issued.

The term "deposit," as applied to the amount at the credit of a borrower, is in truth a misnomer, for the borrower deposits nothing—there is no money in the transaction; it is simply an exchange of debt. Yet it is effectually *currency* to be used as equivalent to coin at any moment. In event of a bank contraction, however, it is apt to become a most embarrassing claim upon both bank and borrower, for real dollars that are nowhere—that never existed.

The organizing of debt into currency is the prevailing error of this commercial age. It seems to suit the genius of our people, and is more practised in this country than in any other: next it prevails in England, less in France and Holland, still less in India, and not at all in China. To whatever extent this system is in use in any country, the precious metals are expelled; to that extent they cannot remain, for money and debt are natural antagonists, like fire and water; one must extinguish or expel the other.

Consequently we now find gold and silver flowing from the United States—where we use debt in their place even to the denomination of one dollar in the bank note—to England, thence to Holland and France, and, by the Alexandria steamers, to Egypt: thence through the Red Sea to India and China, whence there is never a return. Official accounts show that over \$100,000,000 of gold and silver are manifested as shipped from England and France by those steamers annually of late years. Some further amount is taken by passengers; so it seems probable that nearly or quite two thirds of the sum of the world's production, yearly, of the precious metals, is being thrown upon Asia by the bank debt currency system of America and Europe.

Very extravagant figures are frequently made respecting the production of gold and silver, but taking official statements of coinage and of exports from Mexico, California, and Australia, making allowance for the amount brought away by passengers, &c., there appears to be no reason to suppose that the production of any one year has ever yet exceeded \$180,000,000 in the whole world. Before the gold discovery in California it was but \$55,000,000 per annum. Now we find about double that amount going to Asia every year—the silver to China, its place in Europe being supplied with gold.

But the effect upon the general commerce and the individual prosperity and happiness of the people of this country is our concern in this matter. Nothing will prevent the precious metals from going where there is an effective demand for them, and nothing will prevent them from leaving the country where such demand does not exist. If we do not use them for currency they will go where they have that use in addition to other uses; for, like all other commodities, where they possess the highest utility they possess the highest value, and under the keen instincts of commerce they are as obedient to the law of value as matter to the law of gravitation. *They* only are money; a promise to pay them is debt, and that debt is not equivalent to money, unless coin is exchanged for or remains deposited and pledged to meet it.

The "promise to pay," whether in the form of note or credit, placed in position to be used as currency in excess of the coin in the country, becomes a degradation of the value of gold and silver, and will compel the country to part with those metals at the degraded value, until the whole amount of the excess is exported, and absolutely lost in capital. The delusive effect of *price*, which is not understood by one man in a thousand, blinds the community to the truth in this matter. I have before illustrated this effect in your *Magazine*, but it will bear repetition.

Let us suppose that we possess a currency of \$100,000,000 of gold and silver, all active and of course measuring the price of all our commodities; for by the law of value all the commodities offered for sale will be exchanged or valued against all the money offered for their purchase. Now if we go into the banking system of exchanging notes and credits, and add 10 per cent. or \$10,000,000 of bank debt in notes and book credits to our currency, all other things remaining as before, we shall infallibly raise the general price of things, 10 per cent. This will appear to give us \$10,000,000 of money, in addition to what we possessed before, and, it being supposed that the ratio of money to other property in every commercial community is as 1 to 25, it will appear to add \$250,000,000 to our

property. Some statistician will now quote this as evidence of our great smartness, and of the advantage of our banking system, by means of which the wealth of the country has been increased \$250,000,000. Alas for our smartness, which overleaps itself and falls on the wrong side. We have, like the silly shopman, gone over our establishment and simply, *very simply*, marked up our goods 10 per cent, by reason of which we have driven our customers into our neighbors' shops. The barrel of flour, which the exporter might have shipped at \$5,—will now be worth at home \$5 50. Wheat, beef, ashes, and the numerous articles constituting our exportable merchandise, which employ the labor of the country in production, will be placed above his limits; he cannot export them, and instead of the barrel of flour at \$5 50 he sends off \$5 50 in gold, with which he buys 10 per cent. more flour elsewhere, and our producers, our traders and our ships have so much the less to do. This effect is produced in the average upon all our exportable commodities; we retain them or stop their production at the cost in gold of 10 per cent. more than they are worth. If the shopman before mentioned, should pay his debts at his own fancy prices, and where he owed \$1 00, that he might pay in his own merchandise, should elect to pay \$1 10 in gold, he would be no more foolish than we.

But this \$10,000,000 excess of currency must run off in gold and silver. Our bank notes and credits cannot be employed in place of the metals abroad, and when our prices are brought within the natural limits of the natural currency, the shipment of gold and silver stops, and commodities are exported as before the inflation. We have now the same volume of currency as before, namely, \$100,000,000; but \$10,000,000 of it is the bank currency of debt, for which we have parted with that sum of capital, and \$90,000,000 of the original gold and silver. We have lost \$10,000,000 of gold and silver in the inflation of price, having obtained nothing in return more than we could have had in exchange for our own domestic produce at one-tenth less price and retained the \$10,000,000 of gold and silver besides. And now as the demand for gold upon the banks for shipment has ceased, and they can make no dividends without lending their debt as money in excess of their capital, another creation of \$10,000,000 of debt currency is brought upon the market: \$10,000,000 more of gold leaves to make room for it, \$10,000,000 of our domestic produce remains behind that would otherwise have been sold, and, after the usual fall of prices, revulsion and bankruptcy, we come again to the original volume of the currency—\$100,000,000, now \$20,000,000 of debt and \$80,000,000 of coin—and to shipping prices for our usual domestic products again; and we repeat this operation until we reduce our specie to the minimum, below which specie payments cannot be maintained. Now in parting with gold by this degradation of its value in the artificial increase of currency, we positively lose not only the sum of capital thus thrown away, but all the gain that so much real capital well employed would produce, for we have no capital left in its place—nothing but *debt*, which compels the whole country to buy and sell goods on debt and credit, with the certainty of extensive failure, in every bank contraction, that would otherwise be exchanged with money, for if the money remained it would be employed.

No nation or community with an open commerce can maintain a currency in proportion to commodities in excess of the average currency of

the world; for, as soon as that excess appears, prices rise, check exports, encourage imports, and the precious metals, which are the only universal currency, must flow out until the equation of international demand is restored by the true average relation of money and commodities. In this country the whole currency usually consists of about one third coin and two-thirds bank debt, the latter being sustained by repeated expansions that drive off the gold by cheapening it below the value of merchandise as fast as it appears, for all they hold of it is a dead weight to the banks, upon their present system, which derives its support from the loaning of debt and not of money.

I wish now to call attention to the fact, that for some time past, while the imports have been very limited, the exports of domestic produce have largely exceeded those of the corresponding period of last year, not in the aggregate *price* but in quantity and *value*. The value of money being greatly enhanced—that is, less money purchasing more commodities—the true value of our exports recently has been largely increased. Money for a brief period has been more valuable in this country than merchandise. Consumption and demand are naturally overtaking supply in the commodities that we produce with the greatest facility, and the country is just beginning to do well by a natural course of trade. Now, to check this, comes a renewed “organization of debt into currency”—an artificial increase of money to cheapen it. It wholly depends upon which we shall furnish the cheapest—money or commodities—whether our producers shall prosper and our merchants and navigation be well or ill employed. Since the world began there never was a period when there was less occasion or apology for the use of artificial money—when real money in gold and silver was so abundant, and so inviting use to give it value. But this is made by the artificial currency system, the foundation of the most extended mischief. Instead of using gold and silver for currency they are merely used as the basis of the greatest possible inflation by the banks, and consequent increase of debt in the community.

It was the cheapening of money among the nations using a currency of debt, and the inflated prices and obligations inseparable therefrom, which produced the revulsion last fall. We cannot restore prices to meet those obligations: many of them have been and more will be closed in bankruptcy, and if we should inflate again to the same degree it could only be succeeded by the same destruction. We cannot provide for those debts, and we should prevent any artificial increase of currency to prevent a future and similar catastrophe. But the banks of the city of New York control the currency and commerce of this country: when they expand, all other banks expand, and when they contract, all others must contract or fail. They are the financial directors of the creditor city of the country and thus of the whole country: they can cheapen money and compel its export with an increase of imports, or they can enhance its value, cause it to be retained, and secure the export of domestic produce and a decrease of imports at will. We have only to look at their figures to know what is about to happen in this regard, and it is plain that they have now determined to cheapen money and export the gold again.

We shall soon see all the other banks of the country increasing their loans—organizing debt into currency—general prices will rise; the present increasing exports of domestic produce will be checked; imports will in-

crease, gold will flow out of the country at the rate of two or three millions of dollars per week; interest will rise with the increase of debt and decrease of real money; more banks will be demanded, because, we shall be told, the pressure for money and the high rate of interest make it evident that more capital and money are needed, and the additional banks will be expected to furnish additional capital and money. They will be obtained of course; for there is not a State legislature in the country, with the exception of that of Arkansas, but supposes that banks furnish capital and money: not a State but Arkansas suspects the truth that the banks of the present system create only debt, substitute that debt for money, and drive money and capital from the country. And we shall go on in this false direction until we come to another financial revulsion, as severe as the last, with debt riding the community to destruction, unless—and here we come to an effectual remedy—unless some influential banker, merchant or capitalist of New York shall take interest enough in the subject to understand it, and then take efficient measures to aggregate money capital in the currency—to organise into it *money* instead of *debt*, and thereby prevent money from being released for exports instead of our domestic produce.

I repeat, what I suggested in a previous communication, that individuals of wealth in New York, having the confidence of the community, can, with profit to themselves, reform the present abnormal currency and commerce of the country. If capitalists, like Messrs. Astor, Wardsworth, Peritt, Peter Cooper, and others, would inaugurate the system of banking with money, aggregating a liberal *money* capital of their own with that of lenders, in an institution, with or without a charter, for lending their own money, borrowing of others at a low rate of interest, lending at a higher, and dealing in exchange, issuing only coin, or certificates of deposit against coin retained to meet the return of the certificates, and requiring payment in coin, or coin certificates without exception or evasion, obviously gold or silver would be retained in circulation or in their own coffers, to the extent of their operations; and to the same extent, domestic produce would be exported instead of coin in payment for imports. To a much greater extent debt would be extinguished and embarrassment prevented in the country; for at present every dollar of bank currency, which is nothing but debt, requires ultimately a dollar of real value to discharge it. Coin is demanded when no coin or value was created with the dollar of currency, and none passed on either side: the currency is required to be renewed to pay its counter debt, and the counter debt is mortgaged to pay the currency.

All our transactions are through the medium of "notes payable," and all the currency furnished by the banks is mortgaged to pay those notes, so that no money is in circulation to do business for cash. The more of such currency we have the less money we have, the more extended are the credits in time and amount, the greater the risks of business, and the higher the rate of interest. Probably five dollars of debt are thus created by the absence of one dollar of real money, to do the same amount of business, which, by being paid from hand to hand in sales for cash, would prevent them all. People wish to do business for cash but do not see that it cannot be done so, because we part with our cash to foreign countries, as soon as we obtain it, by keeping it the cheapest thing we have to export. We are thus obliged to go through the operation of *kiting* with the banks: it furnishes no money, being merely an exchange of debt and credit. Whenever the

banks contract their loans the means of payment fail and the obligations founded thereon fail likewise—they cannot be paid.

In any thing I say upon this subject there is no hostility to the existing banks. The fault is not in them, but in the delusive system which public opinion created and sustains. To that public opinion we must look for the remedy, and to that I address myself. A man or body of men cannot be blamed for pursuing a reputable business which the public sanction and deem necessary. I believe, however, that the stockholders of banks, in the average, lose much more by bad debts and the general instability of securities and property, caused by the present system, in their individual affairs than they gain by their privileges or interest as bankers.

An institution like the one herein suggested, would take money instead of debt from all institutions lending or dealing in debt as money, and ultimately bring them to its own terms of dealing in real value. This would finally make New York the centre of the exchanges of the commercial world, unless London should adopt the same policy.

I have not much confidence in legislation with regard to any improvement of the currency or the trade of the country, but the general government may do much to aid the restoration of a natural currency by receiving coin in the various subtreasuries and issuing certificates therefor, always retaining the coin on special deposit to meet the returned certificates.

We cannot *eat our cake and have it too*; this truth was settled to the satisfaction of each one of us in the nursery; nevertheless, we try the same absurdity in principle in our currency, and the consequences are demonstrated in financial revulsions, such as that which befell the country last fall. We must accept money or debt for currency; we cannot have them both for the same sum at the same time.

C. H. C.

GOLD REGIONS OF FRAZER RIVER.

Our advices by the last steamer tend to confirm the extent and richness of the northern gold fields. California is in a blaze of excitement. Six steamers and ten sailing vessels are on the route from San Francisco to Puget Sound. Wages had risen throughout California. All the public houses of San Francisco were filled with miners from the interior of the State on their way north. The San Francisco Herald of the 20th of June, says:

"Since the breaking out of the Frazer river fever, we learn that 9,216 registered passengers have left this port in steamers and sailing vessels for the new mines. It will not be too much to estimate that at least 3,000 more have gone whose names were not registered, as every vessel, whether steamer or sailing craft, took many more than the law allows. Besides these, there has been quite an extensive overland emigration, which cannot fall much short of 3,000 or 4,000 more. Altogether it may be judged that at least 15,000 people have left California for the Frazer river mines since the 1st of April last. This tremendous rush seems to have alarmed

the Hudson Bay Company, as we learn from private advices that they are repairing all their old forts, and have commenced to build new ones at commanding points. In a couple of months more there will be at least 40,000 Americans in the British North American possessions ruled over by the Hudson Bay Company, no inconsiderable force when collected together and properly commanded in event of a war between England and the United States, should hostilities grow out of the right of search question."

From Puget Sound and Frazer's river the advices are of the most reliable character. Miners were making on this river and its principal tributary, Thompson's river, from \$5 to \$150 per day; \$16 to \$30 per day was an ordinary day's work. These gold fields extend all through the Cascade mountains of Washington Territory. The simple fact that the line from Frazer's river to Colville has been kept open through the Indian difficulties of the past three years, and the lines from the Sound to the interior, by the Snoqualmoo and Naches passes, have been closed, explains why the first has been prospected and its mineral wealth made known, and why the latter have not. It is known, however, that the gold is universally disseminated through the country, and that there are rich deposits both east and west of the Cascades in Washington Territory. These mines, undoubtedly, extend by Clark's fork and the Koutenay river to the Rocky Mountains.

(From the London Times.)

The official correspondence, on the gold discoveries in the Northwest Territories of British America has been published this morning. They seem first to have been announced in March, 1856, when it was reported that individuals were obtaining from 2*l.* to 8*l.* each per day. The locality is on the Frazer and Thompson rivers, about the 50th parallel of latitude, and the mines have since been called the Couteau Mines, from the name of a tribe of Indians in that quarter. At first the Indians were not troublesome, as they had no animosity against the English, but, when the news of the discoveries attracted a number of adventurers from Oregon and California, they openly expressed a determination to expel them. They wished to monopolize the mines for their own benefit, and were also actuated by a fear that the influx of strangers would drive away the shoals of salmon from the rivers, on which they chiefly depend for their subsistence. The officers of the Hudson's Bay Company were not likely to provoke disputes, but it was apprehended that contentions would speedily arise with the miscellaneous multitude that were flocking in. Thus far the Indians, although manifesting a determination not to permit gold-digging, had scrupulously abstained from actual violence or robbery, their practice being merely to assemble in crowds around any persons who might endeavor to carry on the operation and to force them to leave. From want of skill or other causes, however, they do not themselves appear to be able to earn much. During the three months from October to December last, the total raised was only about 300 ounces. The last accounts are to the 8th of May, and for the preceding month the total was 600 ounces. Nevertheless, at San Francisco, the belief was general that the district is a second California or Australia, and this opinion was shared by experienced persons acquainted with the geological character of the entire country. Governor Douglas, of Vancouver's Island, had put forth a proclamation, declaring the rights of the Crown to the mines, and establishing a license fee of 10*s.* per month, subsequently increased

to 20s., but a party of about 70 or 80 American adventurers had already proceeded without complying with this requirement; the Governor, in the absence of instructions from home, not deeming it desirable to use force. Owing to the difficulty of collecting license fees he suggests that the expenses of maintaining order might, perhaps, be best met by a duty on imports. The number of persons either at the mines or on the way to them had, at the latest date, increased to 1,000. Vessels from San Francisco bring the Californian adventurers to Victoria, the capital of Vancouver's Island, whence they usually proceed in boats and canoes to the mainland, ascending Frazer's river. One of these ships arrived in April, bringing 450 passengers, nearly all well provided with mining tools. Of this number about 60 were British subjects, 60 native Americans, and the remainder Germans, with the exception of a small proportion of Frenchmen and Italians. They were said to be part of the dregs of the population of San Francisco, but their orderly conduct at Victoria led Governor Douglas to form a different conclusion. In reply to the despatches conveying the foregoing information, the Colonial Secretary a week back transmitted to Governor Douglas the following communication, approving his course, and at the same time conveying the only intimation on the subject of the rights of foreigners in the new district, that could be consistent with the policy and dignity of Great Britain. None are to be excluded so long as they submit themselves in common with British subjects to the established laws.

It had been stated that the License System would be enforced in every instance, with a view to revenue, and to exclude foreigners from the benefits of the new discovery. This policy is not recommended. The Secretary says, in his letter to Governor Douglas, of Vancouver's Island:—"Her Majesty's Government wish you to continue your vigilance, and to apply for instructions on any point on which you may require them. They are, however, in addition, particularly anxious to impress on you that, while her Majesty's Government are determined on preserving the rights both of government and of commerce, which belong to this country, and while they have it in contemplation to furnish you with such a force as they may be able to detach for your assistance and support in the preservation of law and order, *it is no part of their policy to exclude Americans and other foreigners from their gold-fields.* On the contrary, you are distinctly instructed to oppose no obstacle whatever to their resort thither for the purpose of digging in those fields, so long as they submit themselves, in common with the subjects of Her Majesty, to the recognition of her authority, and conform to such rules of police as you may have thought proper to establish. The national right to navigate Frazer's River is, of course, a separate question, and one which Her Majesty's Government must reserve."

A San Francisco paper of the 5th of July, says:—"The Frazer river excitement has been on the increase during the fortnight, until it rages everywhere, not only amongst business men, but in the social circle, and by the family hearthstone. The new El Dorado is the all-engrossing theme of conversation, and, as may be imagined, multitudes are preparing to leave, in addition to those already gone. No fewer than fourteen steamers and sailing vessels, carrying nearly 3,000 passengers, have left San Francisco. The exodus throughout the States continues. Laborers are getting scarce and wages high. Wages of workmen in every trade as well as those of the strictly laboring classes, have risen 25 per cent. since the outbreak of the Frazer river fever. Very many of the foreign population are leaving for the North."

BANK STATISTICS.

LIABILITIES AND RESOURCES OF THE MAINE BANKS, 1851-1858.

LIABILITIES.

	May, 1851.	June, 1853.	June, 1855.	July, 1858.
Capital.....	\$3,586,100	4,283,000	7,326,302	7,364,475
Circulation.....	2,994,905	4,330,675	5,057,297	3,107,524
Deposits.....	1,389,137	2,043,743	2,442,908	2,142,495
Profits.....	169,390	265,766	520,829	521,923
Due to Banks.....	111,728	102,450	145,727	162,946
Total Liabilities.....	\$8,251,260	\$11,025,634	\$15,559,154	\$13,299,428

ASSETS.

	May, 1851.	June, 1853.	June, 1855.	July, 1858.
Loans.....	\$6,450,160	8,157,283	12,770,181	11,382,252
Bank Balances.....	813,232	1,425,928	1,403,817	962,897
Specie.....	630,296	923,491	877,165	591,652
Real Estate.....	102,570	139,337	108,192	132,201
Bills of Maine Banks.....	150,016	213,925	288,905	—
Bills of other Banks.....	104,686	165,610	110,893	230,426
Total Assets.....	\$8,251,260	\$11,025,634	\$15,559,154	\$13,299,428

Amount of semi-annual dividend.....	\$272,211 00
Amount of reserved profits.....	396,004 06
Debts due and considered doubtful.....	99,850 95
Amount of bills in circulation under \$5.....	519,430 00
Amount due from the directors and principals.....	382,685 73
Amount due from the directors as sureties, &c.....	689,995 22
Amount due from stockholders as principals.....	740,931 65
Amount of matured debts unpaid.....	904,569 38

For further information as to the Banks of Maine, see p. 863, May No., 1855.

SOUTH CAROLINA.

SOUTH CAROLINA BANKS—JULY 1, 1858.

Banks.	Discounts.	Deposits.	Specie.	Circulation.
Bank of State, South Carolina.....	\$1,550,054	\$783,996	\$253,502	\$1,619,187
Branch, Columbia.....	823,964	206,212	6,418	—
Branch, Camden.....	209,215	12,195	2,756	—
S. W. Railroad.....	595,296	808,145	192,547	469,145
Plant and Mech.....	697,898	208,596	216,257	317,665
Union.....	522,578	170,149	69,790	55,207
State.....	451,428	204,401	99,103	\$6,745
South Carolina.....	887,020	209,657	43,521	77,377
Charleston.....	1,971,927	483,694	238,200	241,315
Farmers' and Exchange.....	670,226	111,943	185,304	609,245
Hamburg.....	142,200	34,654	179,909	510,232
Commercial.....	470,264	151,029	75,632	93,630
Newberry.....	67,504	47,908	56,552	408,993
Planters'.....	84,718	32,774	50,108	166,925
Exchange.....	118,821	64,446	36,119	318,542
Merchants'.....	164,409	8,037	36,680	164,293
Chester.....	142,616	36,231	51,297	260,215
Camden.....	162,627	17,198	10,244	39,117
People's.....	398,578	126,834	205,613	370,355
Georgetown.....	162,763	61,110	28,632	108,930
Total.....	\$10,294,162	\$3,279,210	\$2,036,175	\$5,912,048

The aggregates of the statements are as follows for South Carolina:—

<i>Liabilities.</i>		<i>Assets.</i>	
Capital.....	\$14,888,152	Specie	\$2,036,175
Circulation.....	5,912,048	Real estate.....	624,284
Profits.....	2,029,415	Bank notes.....	833,660
Due banks.....	2,909,512	Due by banks.....	1,825,577
Deposits.....	3,729,211	Discounts.....	10,294,163
Due State.....	3,409,205	Stock loans.....	1,343,950
Other items.....	20,144	Domestic ex.....	6,571,413
		Foreign ex.....	1,425,810
		Bonds.....	1,243,483
		Stocks.....	1,847,271
		Suspended.....	1,723,554
		State treasury.....	82,065
		Other items.....	2,626,183
Total liabilities.....		Total assets.....	
\$32,535,687		\$32,537,687	

FOREIGN ITEMS.

PARIS.—The French Threes had advanced, early in July, $\frac{1}{2}$, closing at 68.35 for money, and 68.45 for account. A singular manœuvre in French finance is about to take place. The *Pays* says:—"From the 3d instant the Bank of France will cease to negotiate 'obligations' on account of railroad companies. It adds, there only remain for distribution 75,000,000 of obligations necessary for the execution of the works of 1858, and that a subscription will be opened for the 'obligations.'"

Upon this the London *Times* remarks:—

"As regards the pending issue of French railway obligations, it now appears that the step taken by the Bank of France amounts to this—stopping the daily sale of bonds of the various railway companies, and inviting a subscription for the whole of the remainder at a fixed price of about £11. This subscription will be open in Paris and the provinces until the 10th instant. The number of bonds to be disposed of is 271,000, paying 5 per cent. interest on £12, or nearly $5\frac{1}{2}$ at the price of emission, and redeemable at £20, by annual drawings, spread over nearly one hundred years. The total to be raised is thus close upon £3,000,000; and the Bank of France has engaged to supply the railway companies with all the means they may require up to the 1st of July, 1859, so that there will be no further issue of such bonds for a year from the present date."

A rumor was current on the 7th that subscriptions for over the whole of £3,000,000 had already been sent in.

We read in *Galvani*:—

"The dividend of the Bank of France for the first half year of 1858 is fixed at 66f. per share. The dividend for the last half of the year 1857 was 87f.; so that the above dividend is 21f. less. This is owing to the depressed state of commercial affairs during the last six months.

ENGLISH RAILROADS.—The following from an English paper will be of interest to some of our railways at the present time:—

"It is understood that the railroad companies in England have come to terms, and arranged the scale of fares. The report of the Board of Trade on railways, published in 1855, gives the following result:—In 1849, on 4,335 miles of railway in England, the passenger receipts were, for first class, £1,744,700; second class, £2,258,029; third class, £1,443,789. In 1855, on 6,165 miles, the receipts were respectively, £2,462,714; £2,911,817; and £2,607,714—the average rate on the whole being 1 $\frac{1}{2}$ d.

per mile. The cost of a first class carriage averages £320, and weighs $4\frac{1}{2}$ tons; second class, £230, $3\frac{1}{2}$ tons; third class carriage, £150, weighing $3\frac{1}{2}$ tons. The only way in which Parliament can protect shareholders and the public against the ignorance of railway directors and managers, is to compel all companies to run two parliamentary trains each way, with first, second, and third class carriages, at 1d., $\frac{1}{2}$ d., and $\frac{1}{4}$ d. per mile; and then railways will pay. The above returns clearly demonstrate that it is quantity which pays, and not express trains for the units."

BANK FORGERIES IN AUSTRALIA.—The Melbourne papers of May 15 mention the following cases which had occurred in Victoria during the few weeks since the date of the last mail:—"A Norwegian, named Knud Bull, formerly a convict in Tasmania, has been convicted of uttering a number of forged checks, and forwarded to Sydney. Bull is a man of education, an artist, and it is understood he was originally convicted of forging notes on the Norwegian Bank in London. So at least the evidence adduced on former charges seemed to show. The notorious Miranda, who succeeded in fleecing a bank in Sydney of 20,000 sovereigns, by means of forged letters of credit from one of the banks in London, it is understood has got clear off for Callao. Since his departure another letter of credit in his favor has come to hand. It purports to be from Coutts', and is for £2,500. A bank clerk in Melbourne, named Raven, who was implicated with John Francis (an insolvent now in prison) in a conspiracy to defraud the English, Scottish, and Australian Chartered Bank, has been traced by means of a letter to Ceylon. A large reward has, we believe, been offered by the bank for his apprehension, and officers sent in pursuit, so that there is little doubt he will soon be in the clutches of the law. Lionel Levy has again been arrested on the charge of defrauding the Oriental Bank, by forging the name of Smith, Payne, and Smiths. It is intended to detain him in custody till advices can be had from that firm. Some time last year Mr. William Anderson, manager of the Kilmore branch of the Oriental Bank, was 'stuck-up' on his way to Melbourne, and relieved of £3,606 and 184 ounces of gold dust. The bank is now suing his sureties for £2,000, the amount of their bond."

MISCELLANEOUS ITEMS.

CONSTRUCTIVE LARCENY.—Two men, brothers-in-law, recently presented two checks of \$100 each, at a banking-house in Cincinnati, and the paying teller, mistaking the amount of one, paid over \$400 instead of \$200. Discovering the mistake soon after, he applied to the men for restitution, but they denied having received more than the amount called for by the checks. Officer Flannery arrested one of the men, who resides in Sixth street, east of Broadway, and locked him up. The other kept out of the way of the officers.

THE OVER-PAID CHECKS.—The two men to whom the checks were over-paid by a Third street banking-house, finally concluded to disgorge the excess of \$200, which they attempted to keep, and were discharged. They can now put down to profit and loss, (the latter more particularly) the \$25 paid their attorney, and upon that basis raise a capital of integrity.

BANK NOTES.—The London *Times* states that the Directors of the Bank of England, in order most effectually to put a stop to the possibility of fraud being perpetrated to so inconvenient and alarming an extent by photographic agency, have entirely altered the color of the paper on which their notes are produced, as well as changed the color of the ink used in printing them, and substituted a widely different shade. From inquiries and experiments which have been made, it is ascertained that, if the notes be printed on a yellow tinged paper, in blue ink, it is impossible, or extremely difficult, to transfer fac-similes to photographic negative wax paper, rendered sensitive by being saturated with a solution of the nitrate of silver and other chemicals, from which the imitations of the genuine notes are obtained. Another plan which has been proposed,

as equally efficacious in putting an end to the system in question, is that of having a few words, or ornamental devices, struck off on the back of the genuine notes. These words or devices, by the process of sun printing, are all transferred to the front of the imitation note, thus foiling the counterfeiter's art.

Railroad Bonds.—Chief Justice Lowrie, of Pennsylvania, has refused to quash the writ of mandamus served to compel the Commissioners of Allegany county to raise a tax to pay the interest due on certain bonds issued to the Pittsburg and Steubenville Railroad Company. The motion to quash the writ of mandamus was made for the following reasons:—

1. That the county of Allegany is a municipal corporation not located within this district of the Supreme Court, and that the claim upon which the said writ is founded is purely a local and private one.
2. That the said writ has been issued improvidently, without notice to the respondents, and in a way not conforming to the law, or to the rules and practice of this court.
3. That the claim upon which the same is founded is altogether disputed and denied, and that no judgment has been recovered or suit instituted against the said county therefor.
4. That if the relator has any legal right, the law has already provided him with a specific legal remedy, which is exclusive in terms and effect, and is entirely sufficient and abundantly adequate for all the purposes of this case.

NORTH CAROLINA.—The following tabular view shows the entire amount of the public debt of North Carolina, and in what years it matures:—

<i>Due.</i>	<i>Amount.</i>	<i>Due.</i>	<i>Amount.</i>
1859	\$200,000	1872	\$20,000
1860	500,000	1875	24,000
1861	40,000	1876	10,000
1862	130,000	1877	8,000
1864	41,000	1878	4,000
1865	111,000	1883	1,000,000
1866	59,000	1884	630,000
1867	15,000	1885	1,370,000
1868	6,000	1886	748,000
1869	26,500	1887	1,283,500
1870	33,500	1888	185,000
1871	40,000	Time not specified	231,005
		Total	\$6,715,505
		Wilmington and Raleigh Railroad Co.	250,000
		Cape Fear and Deep River Navigation Company	300,000
		Total indorsements	\$550,000

MICHIGAN.—The State of Michigan will offer for sale, at Lansing, the capital of the State, commencing on Wednesday, the 28th of July, 1858, and continuing from day to day till they have all been offered, about five million acres of land, denominated swamp lands, but which are, in reality, some of the most valuable lands in the State.

The State circular says of this sale:—

There are also in this largest body of land ever offered, perhaps, at any one sale in any country, many thousands of acres, not only of the best grain and grass land, but of the most valuable pine, cedar, hemlock, cherry, black walnut and white oak timber, as well as many very valuable water powers, in the purchase of which great bargains will by many, undoubtedly, be made by those having means for safe and profitable investment, as all the sales must be absolute and without reserve, and by the condition of the law, those who buy on credit for actual settlement are prohibited from purchasing those lands which are more especially valuable for timber, mines, salines, &c.

Railroad Mortgage Bonds.—In the United States District Court, held at Cleveland, Ohio, the following decision has been made in the case of Mortgages and Trustees of

the Steubenville and Indiana Railroad *vs.* the Treasurer of Tuscarawas County, who seized the rolling stock for taxes. The mortgagees asked for a perpetual injunction against the tax-gatherer, on the ground that:—

"The Company was unable to pay the interest or principal of said bonds or to replace said locomotive and cars in case the same should be sold; that the use and possession of the same were absolutely necessary to the operation of the road by the Company; and that a sale of the property by the Treasurer would be of irreparable injury to the holders of said bonds."

Judge McLean held:

1. That the power of taxation is a sovereign political power, and a branch of the power of eminent domain. That if the manner of assessing and collecting taxes prescribed by the Legislature be not in conflict with the constitution, and the officers charged with that duty conform, in their action, to the law, no court can restrain or interfere with these officers in the discharge of their duties.

2. That the lien of the State for taxes is paramount to all private rights vested under the Government. Individual liens cannot come in competition with the lien of the State for taxes.

3. That the lien of the State for taxes attaches to personal property upon the seizure of the same, as in cases of levy by marshals or sheriffs; and when such property is seized for taxes due the State, it is in the custody of the law under a paramount lien, which cannot be displaced by the liens of individuals upon the same property.

4. That the relation of the complainants to the Steubenville and Indiana Railroad Company is defined by the terms of the mortgage conveyances to them. That default in the payment of the interest or principal of the bonds secured by the mortgages did not vest the road and its equipment in the complainants as mortgagees, but authorized them to take possession of the road and run it as the agents of the Company, or to sell the road at public sale. That the ownership of the property could only be changed by a sale of it, and that no sale having taken place, the Company, and not the complainants, were the owners of the property.

Temporary injunction dissolved and bill dismissed at the cost of the complainants.

RAILROAD SUBSCRIPTIONS.—Among the judgments of the Supreme Court, at the term just closed at Syracuse, will be noticed one of the Black River and Utica Railroad Company *agt.* C. Clark. We understand that this case disposes of the objections made by some subscribers to the stock, that there were defects in the organization of the Company, and that by denying its incorporation, if subscribers could go back of their subscriptions and trump up some defence to an action for their liabilities. Some subscribers have contended that although the Company had gone forward and expended large sums of money on the strength of the subscriptions, and although they had paid part of their stock, yet they could repudiate their subscriptions and contract with the Company and get rid of their legal, if they could not of their *moral* obligation to pay, on different technical points. We are glad to hear that most of these questions have been settled in favor of the Company.

MINNESOTA.—The State of Minnesota loan of \$250,000 was awarded, on 1st July, to Messrs. Clark, Dodge & Co., at $\frac{1}{2}$ per cent. for an 8 per cent. stock. This is very low for a State stock, and the loan would, no doubt, have gone higher if it had been properly advertised. Very few parties were aware that such a loan was in the market. The biddings were as follows:

Clark, Dodge & Co., N. Y., 100 per cent. for 8 per cent. bonds.....	\$250,000
F. P. James & Co., N. Y., par for 8 per cent. bonds.....	250,000
T. P. Richards, N. Y., par for 8 per cent. bonds.....	250,000
Thompson Bros., N. Y., par for 9 per cent. bonds.....	250,000
Joseph Livingston, Milwaukee, par for 10 per cent. bonds.....	250,000
S. B. Scott, Milwaukee, par for 9 per cent. bonds.....	250,000
Von Glohn, St. Paul, par for 10 per cent. bonds.....	20,000
Bristed & Co., N. Y., par for 10 per cent. bonds.....	8,000

SACRAMENTO CITY BONDS.—Messrs. Wells, Fargo & Co. have issued a circular in regard to the Bonds of the City and County of Sacramento. The following is a sketch of the provisions of that law:

The law itself repeals all former laws incorporating the City and County of Sacra-

mento; and no provision is made for the payment of their old indebtedness, except such as is surrendered and funded under this law. By reference to these sections of the law, it will be seen that a revenue is created and set apart for the payment of the bonds issued under the law. That the amount of new bonds to be issued is limited, as follows: By the City of Sacramento, \$1,600,000; by the County of Sacramento, \$600,000. That all debts beyond that amount are left unprovided for. All the Bonds are to be dated Jan. 1, 1859, to draw interest at 6 $\frac{1}{2}$ cent. per annum, payable annually, on the first day of each year, at the office of the Treasurer, and are to mature as follows: One-fourth on the 1st of February, 1888; one-fourth on the 1st of February, 1893; one-fourth on the 1st of February, 1898; one-fourth on the 1st of February, 1903. Claims to be registered, and to be entitled to the shortest time in the order of presentation. No bonds to be issued for less amount than \$200; but fractional certificates will be issued convertible into bonds. The undersigned respectfully call the attention of holders of claims against the City and County of Sacramento, to the provisions of the law above referred to, and to the advantage to be gained by an early presentation of their securities.

OHIO PUBLIC DEBT.—Mr. S. T. Bull, State Agent of Ohio here, who has been connected with that agency for twenty years, has resigned. Mr. James A. Briggs has been confirmed as Agent, in this city. We learn that out of the \$450,000 interest payable here, between the 1st and 14th inst., there remained only \$20,000 to be sent to and collected at the office at Columbus. Those desirous of making transfers of stock will learn of the form of doing so at the office, 27 William street. Ohio State Stocks are still transferable here, the same as heretofore. The only change is, the agent is required to send the cancelled certificate to Columbus, and in due course of mail, get back a new certificate or certificates in the name of the parties to whom the transfer is made. This simple and commendable precaution on the part of the State, should meet the approval of all holders of Ohio State Stocks.

BANK ITEMS.

NEW YORK.—Mr. Cook, Superintendent of the Bank Department of this State, has required the banks to make their quarterly returns, under date 19th June last. He has also required them to make their statements up to the morning of Saturday, so as to include the work at the close of the day before. Hitherto the practice was variable—some making their statement at the close of Saturday; others at the close of Friday. The latter is according to the Statute.

Mutilated Notes.—The following report upon the subject of "mutilated notes," was adopted, to-day, by the New York Clearing House:

NEW YORK, July 6th, 1858.

At a meeting of the New York Clearing House Association, held this day, the "Committee on Mutilated Bills," made the following report, which was ordered to be printed and sent to the members of the Association.

GEORGE D. LYMAN, Secretary *pro tem*.

The Committee on Mutilated Notes, to whom was referred the subject of applying to the legislature for further protection in relation to the fraudulent mutilation of bank notes, beg leave to report:

That after a careful examination of the subject, they deem it inexpedient to ask for any legislative aid, believing that the existing laws are quite sufficient when the offenders can be detected.

The Committee would recommend to the members of the Clearing House Association, to refuse payment of all notes mutilated with *evident intent* to defraud, and in case any suit should be brought against any member for such refusal, that the defence be

conducted under the direction of a committee, and that the expense of such suit be paid by the members of the Association, in the same manner as other expenses of the Clearing House.

B. F. WHEELWRIGHT,
JOHN THOMSON,
J. C. BEACH. } Committee.

New York, July 14th, 1858.

New York City.—We understand that Shepherd Knapp, Esq., President of the Mechanics' Bank, having intimated a desire to be absent from his post during part of the summer and autumn, for the purpose of recruiting his health, the Board of Directors have unanimously acceded to his wishes, and have appointed Richard Irvin, Esq., President *pro tem.* Mr. Benj. Cartwright, who has been for twenty years connected with the City Bank of this city, has been elected Assistant Cashier of that institution.

Albany.—Mr. Vischer Ten Eyck has been elected Cashier of the Commercial Bank of Albany, vice Powers L. Green, deceased.

Rochester.—George E. Jennings, Esq., late Teller, was, on the 8th of June, elected Cashier of the Union Bank, Rochester, in place of Oliver F. Terry, Esq., who has resigned with a view to commence business on his own account.

MASSACHUSETTS.—We annex the totals of the principal items of Massachusetts country banks for the month of July, with those of the preceding months in this and the last year:

Date 1857.	Loans and Discounts.	Specie in Bank.	Deposits.	Circulation.
Jan. 3.	\$46,954,342	\$1,051,770	\$6,637,513	\$16,168,812
Jan. 31.	46,558,433	1,070,332	6,721,584	15,977,352
Feb. 28.	47,199,814	1,073,951	6,716,267	15,881,240
April 4.	47,697,488	1,053,003	6,748,861	16,407,552
May 2.	48,002,135	1,068,365	7,214,080	17,968,816
May 30.	47,279,719	1,089,314	6,944,326	16,396,506
July 4.	47,847,487	1,112,818	7,061,861	16,354,512
August 1.	49,019,806	1,116,554	7,102,398	16,235,682
Sept. 5.	49,355,964	1,100,080	6,860,664	15,759,025
Oct. 3.	47,351,000	1,030,631	5,935,275	14,023,092
Oct. 31.	43,393,570	1,005,827	5,643,834	11,080,149
Dec. 5.	41,659,793	1,167,885	5,604,095	10,097,149
Jan. 2, 1858.	41,224,073	1,294,563	5,651,908	9,580,773
Jan. 30, 1858.	41,321,731	1,368,273	6,018,396	9,960,523
Feb. 27, 1858.	41,556,977	1,388,547	6,195,738	9,887,107
April 3, 1858.	41,919,954	1,449,814	6,273,299	10,572,096
May 1, 1858.	42,552,379	1,515,324	6,904,831	12,126,174
* June 5, 1858.	42,192,936	1,609,785	6,789,551	11,996,000
July 3, 1858.	43,324,141	1,752,894	6,972,261	12,390,139

* On and after this date the two Banks at South Boston are included in the monthly statement of country banks.

Country Money.—The new bank of Mutual Redemption, Boston, has issued a circular to the banks subscribing for stock, that the amount will be payable on Monday, Aug. 2. Appended to the circular are the terms upon which they propose to do the business of the banks in New England. Stockholders will not be required to keep any permanent deposits. The original purpose of the charter was to create an institution to take the place of the Suffolk Bank as the agent for the 300 banks of New England; the profits to be divided among each bank (as a stockholder) *pro rata*. The Clearing House Committee say in their report on the subject:—

The committee have ascertained from the Suffolk Bank, that their current expenses connected with this branch of their business are at least sixty-five thousand dollars per annum, and that this is barely met by the interest upon the special deposit money from all the New England banks; consequently, any profit derived comes from the other transactions which this business induces, and is only a fair compensation for the hazards attending it. The committee believe that the Suffolk Bank makes no claim to the continuance of this business of redeeming, but, on the contrary, is prepared to relinquish it, whenever, in the opinion of the Associated Banks, it may conduce to

the general welfare that it should do so. It is a serious question, properly belonging to the Boston banks, in connection with the mercantile community, and all descriptions of industry and property in this city and commonwealth, whether this system, which has worked well for so many years, and through such trying times as those years include, should be unnecessarily disturbed, and whether they are prepared to uphold this new institution; for, without the hearty aid and co-operation of the banks in this city, it is evident that no institution can long sustain itself in such an undertaking, and its failure would involve the most serious consequences.

A meeting of the Associated Banks of Boston was held at the Clearing House on the 27th of July. There was a full attendance of members of the association. It is understood, that after a thorough discussion, the petition of the Bank of Mutual Redemption to be admitted into the organization, was rejected.

CONNECTICUT.—At a meeting of the stockholders of the New Haven County Bank, held at New Haven in July, it was voted to postpone the election of Directors for two months, to afford an opportunity to investigate the affairs of the bank. Messrs. Wm. B. Wooster of Derby, and N. A. Bacon and Le Grand Cannon of New Haven, were appointed a committee to make such investigation. The *New Haven Journal and Courier* states that the Bank is safe enough, but it suffered largely by the failure of Mr. Henry Dwight, and has a large amount of capital locked up in unproductive property.

PENNSYLVANIA.—The Union Bank of Philadelphia have complied with the law relative to their incorporation, and have called in all of their first instalment, and anticipate requiring the second some time during the month of August, so that they can organize in September next. The location of the Banking House will be in the neighborhood of Third and Arch streets.

Lebanon.—The Lebanon Valley Bank, at Lebanon, Lebanon Co., Pa., commenced business on the 10th June, 1858, with an authorized capital of \$200,000, of which \$64,000 has been paid in. John George, President, Joseph Karch, Cashier.

Country Banks.—The report of the Committee appointed by the last Legislature to investigate the affairs of the Tioga, Crawford, Phoenixville, Shamokin and Octorara Banks, develops one of the most daring and stupendous frauds ever attempted in this State. These Banks were chartered, with a large number of others, at the session of 1857, and their charters seem to have been seized upon by a party of Buffalo speculators and swindlers, to flood the country with worthless paper and without the ability or intention to redeem a single dollar. These financiers seem first to have taken hold of the Tioga County Bank, depositing their individual notes as its capital, and afterwards purchased stock in the other Banks, paying for it in their Tioga issues, thus organizing the whole of these Banks without a dollar of coin. They have succeeded, moreover, notwithstanding the suspicion attaching to these concerns, in putting into circulation nearly \$300,000 of their worthless paper. A startling revelation is made by the committee relative to the bank note reporters. Proof seems to have been afforded that some of these publications are regular black mail sheets, which quote Banks in good or bad standing according as the conductors are feed. Letters and circulars are described as being sent to Banks, requiring immediate correspondence or a personal visit, to make certain arrangements on pain of disagreeable consequences. Altogether this report is calculated to surprise the people of Philadelphia and Pennsylvania, and put them on their guard against speculators in bogus Banks. All these institutions have been manufactured by one gang of Buffalo operators, and are of the worst species of wild cat.—*Philadelphia Press*, July 22.

NEW JERSEY.—The Bank Commissioners, consisting of the Governor, the Secretary of State, and Attorney General, considering it their duty to examine into the truth of the reports which indicated the banks of Tom's River, Hackensack, and one at Paterson, as of bad character, made a visit to those places; and, as public curiosity has been awakened thereby, we have made inquiry, and have received for a reply that, in relation to the Bank of Trade, purporting to be located at Tom's River, the following facts have been developed: This bank was established in January, 1858. At one time its circulation amounted to \$116,000; at present, the amount of notes outstanding, registered by the State Treasurer, is \$66,000. The only place for the transaction of business at Tom's River, is the rear parlor of a hotel in that place—a room kept for the accommodation of the public, and last week occupied by an itinerant dentist. In this

room is a cheap iron safe, the only property of the bank at Tom's River, and which never contained a cent of money, or a book, or a paper, until Wednesday last, when the nominal President of the bank, having heard of the intended visit of the bank commissioners, made his first visit to Tom's River, and placed in that safe \$100 in cash and two blank books. The tavern keeper at Tom's River was appointed redeeming agent of the bank, but he never before Wednesday last had a penny left with him for that object. He has redeemed from \$100 to \$150 since the bank was organized. There is no board of directors at Tom's River, no stockholders residing there, no deposits have been made, no notes discounted, but the bills of the bank were used in their own way, by F. P. James & Co., 36 Wall street, New York, brokers. Of course the bank commissioners do not consider this a legitimate, bona fide bank. What the Chancellor may think of it remains to be seen, as it is probable his restraining prerogative may be invoked in the premises. But let us caution the public not to feel the slightest alarm as to the value of the notes of the Bank of Trade. The \$66,000 in circulation are secured by \$80,500 of Virginia State bonds, now in the State Treasurer's office, which will be ample to redeem every dollar. No person, therefore, should submit to any serious sacrifice who is the holder of these bills. This is one of the excrescences of the general bank law. A number of banks have been organized under the law in this State, which transact a healthy and profitable business for the community, as well as the stockholders. Such are the banks at Jersey City, at Hoboken, at Clinton, at Frenchtown, at Mount Holly, and two at Paterson—all of them as good banks as are anywhere to be found. If the rotten branches are lopped off, the whole system will be invigorated.—*Trenton paper.*

Process against Certain Banks.—Process has been issued from the Court of Chancery, citing the officers of the Bank of Trade and the Ocean County Bank, at Tom's River; of the Stock Security Bank and the Bergen County Bank at Hackensack; of the Merchants' Bank at Paterson; and of the Artisan's Bank at Trenton, to appear on Thursday, the 29th inst., at the State House, to show cause why they should not be restrained from the further business of banking. These proceedings are consequent upon the report of the Bank Commissioners, made to the Chancellor, that in their opinion neither of these banks is transacting a legitimate or bona fide banking business, in conformity with the intent and meaning of the general banking law. Those who hold bills of either of these banks need be under no fear of loss. The notes are abundantly secured by stocks and mortgages in the treasury; and if proceeded against finally, the Chancellor will direct such steps as entirely to secure the interests of the public.—*Trenton True American.*

VIRGINIA.—The Bank of Danville has commenced business at Danville, Pittsylvania county, with a capital of \$130,000. President, William T. Sutherlin, Esq.; Cashier, Julius A. Gray, Esq. Danville is situated on the Dan river, about five miles from the North Carolina State line and 168 miles W. S. W. from Richmond.

ALABAMA.—T. W. Street, Esq., has been elected Cashier of the Commercial Bank of Alabama, at Selma, in place of W. T. Hatchett, Esq., resigned.

IOWA.—The free banking law of the State of Iowa has received a majority in its favor of the votes cast at the recent election, and will go into immediate effect. We have republished this law in full in our July number. It is somewhat similar in its provisions to the general law of this State, but differs from it in forbidding payment of interest on current deposits, and requiring each bank to keep on hand, in specie, an amount equal to twenty-five per cent. of the deposits. The circulation is to be secured by a deposit of State stocks, on which full interest is paid, at the rate of six per cent. or more, and notes to the amount of only ninety per cent. of the market value in the city of New York shall be issued thereon.

OHIO.—Many persons will, probably, remember the attempts by certain Western Banks, to avoid redemption of their notes by the subterfuge of paying silver coin for each note. A correspondent of the Cincinnati *Gazette* gives the following statement, prepared by one of the Attorneys in the suit, which, he says, gives a clear view of the case:

The Indiana bank at Madison, refused to redeem a package of their five dollar notes, except in the new silver coin issued by virtue of the Act of 1853. The party

making the demand refused to receive such coin beyond the sum of five dollars upon the whole package, and had the notes protested, and filed with the Auditor to cover redemption. The bank applied to the Marion Circuit Court of Indiana for an injunction. The question arose upon 2d section of the Act of Congress, which provides that such coin "shall be legal tender in payment of debts for all sums not exceeding five dollars." The bank contended that each note was a separate and independent debt, and that, consequently, the right of the bank was to redeem a single bill at a time, in this new silver coin. Judge Major, however, refused to grant an injunction, holding that the redemption must be of the whole package, and in gold, or in the old silver coin. This decision seems to give general satisfaction, and has received special attention as the point has been debated.

Clearing House.—The Cincinnati *Bank Note Reporter*, speaking of the Clearing House, which it is proposed to establish in Cincinnati, remarks:—"The object is to establish a redeeming centre for country bank notes, which will also be practically a clearing house for their circulation; that is, for striking balances and settling accounts between the banks in regard to circulation."

The *Reporter* adds:—"The banks included within the influence of the redemption house lie within a circuit of about 200 miles, comprehending nearly all the banks of Ohio, Indiana, Kentucky, and Western Virginia. The amount of active circulation is about \$20,000,000. Of this, something like \$100,000 per day reach Cincinnati; and in consequence of the large profits in running home the notes, and the large number of brokers employed in it, it is safe to say that this portion of circulation does not remain out of the bank more than an average of three months. In other words, \$600,000 per week, or \$8,000,000 in each three months, are sent home for redemption. Now, the experience of banks proves that without the influence of brokers this money would remain out more than double that length of time."

The Bank of the Ohio Valley, which is the name given to the proposed clearing house, it is now stated, will not go into operation before the 1st of September. There appears to be a desire to secure the co-operation of leading banks in neighboring States, and this is one reason why the time for commencing business has been postponed. It is certainly important that the Indiana and Kentucky banks should unite this enterprise; for its success as a clearing house, *in fact*, must depend upon such a union. As an exclusively Ohio institution, it would fail to accomplish the object it had in view when the organization was first proposed.

TENNESSEE.—The two old banks of Tennessee which have resumed specie payments in anticipation of the law of the last Legislature, have both declared dividends since the resumption; the Planters' Bank, 10 per cent., payable at the Manhattan Company, in this city; and the Union Bank, 5 per cent., payable at the Philadelphia Bank. The Citizens' Bank, of Memphis, is reported by telegraph, as being in trouble. It is a bank of comparatively recent creation. The Bank of Tennessee and branches, belonging exclusively to the State, have declined formal resumption, for the present, though the President of the principal bank, Hon. Cave Johnson, states that the circulation of the bank will be kept sound, and the exchange on the East at low rates.

WISCONSIN.—The State Bank of Wisconsin, at Milwaukee, has made ten regular semi-annual dividends since its commencement in the year 1853, viz.: one of 5 per cent.; seven of 6 per cent.; one of 4 per cent., and one of 8 per cent. The present capital (since July 1857) is \$500,000.

SCOTLAND.—The City of Glasgow Bank, which temporarily suspended during the crisis in November last, but was able subsequently to prove its solvency, has issued a statement preparatory to the annual meeting of the 7th July. According to this, more than 90 per cent. of the capital is intact, its amount having been £745,410, while there is now a balance sheet of assets over liabilities of £673,821. The deficiency is therefore only £71,589, which it is proposed to make up by an appropriation of £20,000 a year out of future profits. Messrs. Richard Irvin & Co. of this City, remain agents of the above Bank.

COSTA RICA.—The National Bank of Costa Rica, under the direction of Don Crisanto Medina, commenced operations on the 14th of June.

Savings Banks.—The Bank for Savings (Bleecker street) has declared its usual semi-annual dividend of 2 per cent. to depositors over \$500, and $2\frac{1}{2}$ per cent. under \$500. Also an extra dividend of the same amount to each depositor. This dividend (or interest) amounts on the present occasion to about \$344,000, and must be very acceptable to the depositors, who number about fifty thousand. The deposits in this institution exceed eight millions of dollars, being larger, we are informed, than the deposits in any other Savings Bank in this country.

The total Savings deposits in this city alone are over thirty-three millions of dollars, among sixteen institutions, and belong to about one hundred and fifty thousand depositors. This is a very pleasing fact in the financial history of our city, and speaks largely for the industrial pursuits of our people. An analysis of the employments of these 150,000 depositors shows that they are mainly *working people*, whose wages are from four to ten dollars a week.

The conservative influence of such institutions upon the community cannot be over-estimated. Wherever such institutions exist and are well-managed, they indicate both industry and economy.

Their stability is well shown in the fact that they hold on bond and mortgage over fifteen millions of dollars, and in stock securities, real estate, and other available means eighteen millions of dollars; with a surplus of at least one million of dollars beyond their liabilities—thus securing the depositor beyond any contingencies of the stock market. We have no means of ascertaining the Savings Deposits of Southern and Western States; but in New England and New York the system is firmly established. The deposits are:—

In Massachusetts.....	\$34,000,000
New York City (about).....	33,000,000
Brooklyn, “.....	3,300,000
New York interior.....	7,000,000
	<hr/>
	\$77,300,000

In Great Britain the Savings Deposits are over thirty-two millions sterling, all invested, according to statute, in Government stocks, (Consols, &c.,) yielding only 3 a $3\frac{1}{2}$ per cent., while in this country the average interest paid is over five per cent.

Bank Dividends.—Some few of the banks of this city passed their dividends in November and January last. All have resumed, showing ample surplus profits. The following dividends are payable in July, 1858:

<i>Names of Banks.</i>	<i>Capital.</i>	<i>Rate.</i>	<i>Names of Banks.</i>	<i>Capital.</i>	<i>Rate.</i>
Seventh Ward bank.....	\$500,000	5	Dry Dock Bank.....	200,000	4
Broadway Bank.....	1,000,000	5	Bank of Commerce.....	8 602,000	$3\frac{1}{2}$
Atlantic Bank.....	500,000	5	Bank of America.....	3,000,000	$3\frac{1}{2}$
Butchers and Drovers' Bank	600,000	5	Bank of New York.....	3,000,000	$3\frac{1}{2}$
Mercantile Bank.....	1,000,000	5	Continental Bank.....	2,000,000	$3\frac{1}{2}$
Chemical Bank.....	300,000	6	Bank of North America..	1,000,000	$3\frac{1}{2}$
Metropolitan Bank.....	4,000,000	4	Hanover Bank.....	1,000,000	$3\frac{1}{2}$
Mechanics' Bank.....	2,000,000	4	Merchants' Exchange Bk.	1,235,000	$3\frac{1}{2}$
Phoenix Bank.....	1,800,000	4	Bank of Commonwealth.	750,000	$3\frac{1}{2}$
Park Bank.....	2,000,000	4	Irving Banking.....	500,000	$3\frac{1}{2}$
Market Bank.....	1,000,000	4	People's Bank.....	412,500	$3\frac{1}{2}$
Importers and Traders' Bank	1,500,000	4	Atlantic Bank.....	400,000	$3\frac{1}{2}$
Tradesmen's Bank.....	800,000	4	New York County Bank.	200,000	$3\frac{1}{2}$
New York Exchange.....	130,000	4			
Nassau Bank.....	1,000,000	$3\frac{1}{2}$			
			Total July, 1858....	\$40,429,500	

DOMESTIC EXCHANGE.—The following are the present rates on New York from the principal cities :

Boston, Mass., on New York.....	Par.	Louisville, Ky., on New York, premium	$\frac{1}{2}$ a $\frac{1}{2}$
Baltimore, Md., do	Par.	Richmond, Va., do	$\frac{1}{2}$
Philadelphia, Pa., do	Par.	Wilmington, N. C., do	$\frac{1}{2}$
Pittsburg, do	Par.	Nashville, Tenn., do	$\frac{1}{2}$
Cincinnati, Ohio, do	premium.....	Detroit, Mich., do	$\frac{1}{2}$
Chicago, Ill., do	$\frac{1}{2}$ a 1	Milwaukee, Wis., do	$\frac{1}{2}$
Charleston, S. C., do	$\frac{1}{2}$	Dubuque, Iowa, do	1
Savannah, Ga., do	$\frac{1}{2}$ a 1	Mobile, Ala., do	$\frac{1}{2}$
St. Louis, Mo., do	$\frac{1}{2}$ a $\frac{1}{2}$	New Orleans, La., do	$\frac{1}{2}$

UNCURRENT MONEY.—The following are the rates of discount at New York :

	Discount.		Discount.
New York State Currency.....	$\frac{1}{2}$ a $\frac{1}{2}$	North Carolina.....	1 $\frac{1}{2}$ a 2
New England.....	$\frac{1}{2}$ a $\frac{1}{2}$	South Carolina, and Georgia.....	$\frac{1}{2}$ a 1
New Jersey.....	$\frac{1}{2}$ a $\frac{1}{2}$	New Orleans and Mobile.....	$\frac{1}{2}$ a 1
Philadelphia.....	$\frac{1}{2}$ a $\frac{1}{2}$	Ohio, Indiana and Kentucky.....	$\frac{1}{2}$ a 1
Penna. Country.....	$\frac{1}{2}$ a $\frac{1}{2}$	Indiana Free Banks.....	—a 1 $\frac{1}{2}$
Baltimore.....	$\frac{1}{2}$ a $\frac{1}{2}$	Missouri.....	$\frac{1}{2}$ a 1
Maryland, Country.....	$\frac{1}{2}$ a $\frac{1}{2}$	Tennessee, old banks.....	2 a 3
Delaware.....	—a $\frac{1}{2}$	Illinois and Wisconsin.....	1 a 1 $\frac{1}{2}$
Virginia.....	$\frac{1}{2}$ a 1	Canada.....	$\frac{1}{2}$ a $\frac{1}{2}$

Collections in the South and West.—Several new banking houses have commenced operations lately. The cards of these may be found on the cover of this work, and a complete list of all the banking houses, as well as of all the banks in the United States, may be found in the "Merchants and Bankers' Register," for 1858, published early in February, the second edition of which is now published. The cards of bankers in the following places may be found on the cover of this magazine :

MASSACHUSETTS.—Boston.—NEW YORK.—New York City, Buffalo.
 PENNSYLVANIA.—Philadelphia, Pittsburg, Scranton.—MARYLAND.—Baltimore.
 DISTRICT OF COLUMBIA.—Washington.
 VIRGINIA.—Fredericksburg, Lynchburg, Richmond.
 ALABAMA.—Mobile, Montgomery.
 CALIFORNIA.—Sacramento.
 ILLINOIS.—Beardstown, Chicago, Dixon, Kewanee, Moline, Peoria, Peru, Port Byron, Rockford, Quincy, Springfield, Sterling.
 INDIANA.—New Albany, Richmond.
 IOWA.—Burlington, Cedar Rapids, Clinton, Council Bluffs, Chariton, Clinton, Fairfield, Davenport, Des Moines, Dubuque, Fort Dodge, Iowa City, Keokuk, Muscatine, Sioux City.
 KENTUCKY.—Lexington, Louisville.—LOUISIANA.—New Orleans.
 MICHIGAN.—Battle Creek, Grand Rapids.
 MINNESOTA.—Minneapolis, St. Paul, St. Anthony.
 MISSOURI.—Boonville, Glasgow, Hannibal, St. Louis.
 OHIO.—Cincinnati, Cleveland, Newark, Sandusky, Toledo.
 TENNESSEE.—Nashville.—TEXAS.—Galveston, San Antonio.
 WISCONSIN.—Milwaukee, Mineral Point, Sheboygan, Fond du Lac.
 CANADA.—Kingston, &c.

PRIVATE BANKERS.—A new banking firm has been established at St. Louis, Mo., by Messrs. THOMAS ALLEN, SAMUEL COPP, and ROBERT W. NISBETT. Mr. ALLEN was for some years President of the Pacific (Missouri) Railroad Company. His partners are gentlemen of well-known ability and experience. [See their card on the cover of this work.]

IOWA.—We refer our readers to the new card in this No. of Messrs. HENN, WILLIAMS & Co., Bankers, Fairfield, Iowa; and Messrs. MERRITT, SHERMAN & Co., Fort Dodge, Iowa.

Notes on the Money Market.

NEW YORK, JULY 26, 1858.

Exchange on London, at Sixty days' sight, 9 $\frac{1}{4}$ a 10 premium.

The month of July shows a still larger accumulation of capital at this point and at other Atlantic cities. The increased abundance of capital does not, however, lessen the caution which has marked the past nine months, in making investments. We would ordinarily suppose that capitalists would speedily find channels of investment, at some specific rates of interest, say 5, 6, or 7 per cent., rather than let their funds lie idle in Bank or receiving a nominal compensation. But as yet there is no material movement in stocks, real estate operations, or in manufacturing, in this city or neighborhood. Stocks of the first order have slightly advanced, and are more firmly held; but in those of a speculative character, or what may be termed "second class," there is no marked change. Under these circumstances, loans on bond and mortgage present the most desirable aspect for investment. But even here the capitalist shows excessive caution. Few will loan more than 50 per cent. on the cash value of improved property in the city of New York, when in fact two-thirds or three-fourths of the value could be loaned with safety. There are no indications of a decline in real estate here; on the contrary, it is reasonable to suppose that the market price of property will advance ere long. There are some signs of more activity in our manufacturing concerns. These usually employ over fifty thousand persons, and yield a capital of about one hundred millions of dollars, yielding double this sum in products annually.

The Treasury Department will receive bids until the 9th of August for portions of the ten million five per cent. loan authorized by the act of 14th June last. No bid will be received below par, and none for any fraction of one thousand dollars. No bid will be considered unless one per centum of the amount is deposited, subject to the order of the Secretary of the Treasury, with a depositary of the United States, whose certificate of the same must accompany the bid. In all cases the bids must be unconditional, and without reference to bids of others, and must state the premium offered therein.

Congress, by this law, authorized the Treasury to borrow twenty millions of dollars; but the Secretary is of opinion that no more than ten millions will be wanted this year. It is thought that the Treasury will realize a premium of four to six per cent. on the new loan. This is in strong contrast to the condition of financial affairs in 1846-7, when United States Six per Cents. were negotiated with difficulty at par. The Custom House Duties at this port for the past fiscal year, (ending June, 30, 1857,) were \$27,434,666, while for the previous year ending June 30, 1856, they were \$42,271,645. During the past year the amount of goods entered at this port were \$162,159,000, or about twenty-six per cent. less than in the preceding fiscal year. Without any official data as to the general results of the year's business throughout the Union, we arrive at the following conclusions, based upon the returns from New York and a few other ports:

IMPORT TRADE OF THE UNITED STATES.

	1858 <i>Treas. Year.</i>	1857. <i>Treas. Year.</i>
Goods entered at New York.....	\$162,159,000	\$219,741,000
At other ports, estimated.....	93,395,000	128,687,000
Total Goods.....	\$255,554,000	\$348,428,000
Foreign Specie.....	16,000,000	12,462,000
Grand Total.....	\$271,554,000	\$360,890,000

EXPORT TRADE OF THE UNITED STATES.

	1858. <i>Treas. Year.</i>	1857. <i>Treas. Year.</i>
Produce from New York.....	\$55,932,000	\$75,929,000
From other ports estimated.....	172,978,009	202,978,000
Total Domestic Produce.....	\$228,910,000	\$278,907,000
Foreign goods re-exported.....	20,905,000	14,905,000
Specie.....	51,000,000	69,137,000
Grand Total.....	\$300,815,000	\$362,949,000

The resulting balance last year, in favor of the United States, was *two* millions dollars. This year, the foregoing estimate would give a resulting balance of *twenty-nine* millions dollars—including, of course, the remittances of specie, a large portion of which was undoubtedly in return of foreign capital, or credits, employed on this side for years previous to the late crisis, rather than in settlement of current trade balances. In other words, of the fifty-one millions specie sent abroad last year, of which \$35,000,000 was in American gold—\$16,000,000 being received here and returned in foreign coin—less than one-half was required to balance the actual trade accounts of the year.

Bills on London and Continental cities have advanced $\frac{1}{4}$ a $\frac{1}{4}$ per cent. since our last monthly summary; 110 was realized to-day on London, but 109 $\frac{1}{4}$ are the ruling figures, and we so quote; 110 $\frac{1}{2}$ was paid for three day bills, and we hear of business on Paris at 5.12 $\frac{1}{2}$. We quote:

London, 60 days, Bankers' Bills.....	109 $\frac{1}{4}$
Do do Merchants' Bills.....	109 $\frac{1}{4}$
Do do Bills of Lading.....	108 $\frac{1}{4}$ a 109
Paris.....	5.12 $\frac{1}{2}$
Hamburg.....	36 $\frac{1}{2}$
Antwerp.....	5.11 $\frac{1}{2}$ a 5.12 $\frac{1}{2}$
Bremen.....	79 $\frac{1}{2}$ a 80
Amsterdam.....	41 $\frac{1}{2}$ a 41 $\frac{1}{2}$

Railroad Bonds.—First-class Railroad Mortgage Bonds are well sustained in the market, and there are steady orders for further investments. Capitalists have begun to distinguish between the 1st, 2d, and 3d classes, feeling sure in some cases the roads must pass into the hands of the bondholders. Erie 1st Mortgages are held at 98 a 99; Hudson River, 103 a 103 $\frac{1}{2}$; Michigan Central, 96 $\frac{1}{2}$ a 97 $\frac{1}{2}$; Cincinnati, Hamilton and Dayton, 83 a 84; Cleveland and Toledo, 84 a 86; Reading, 87 a 89; Illinois Central, 86 a 87; Pennsylvania, 98 $\frac{1}{2}$ a 99. We annex the closing prices of Miscellaneous Securities for the past eight weeks:

	June 4th.	11th.	18th.	25th.	July 2d.	8th.	16th.	23d.
Erie Railroad 7s, 1859.....	92	92 $\frac{1}{2}$	93	93	93	93 $\frac{1}{2}$	92	91
Erie bonds, '75.....	44	40	31	32 $\frac{1}{2}$	32 $\frac{1}{2}$	32	34	33
Erie Convertibles, 1871.....	40 $\frac{1}{2}$	37	32	32 $\frac{1}{2}$	32 $\frac{1}{2}$	32	33	32 $\frac{1}{2}$
Hudson River Railroad, 1st mort.	101 $\frac{1}{2}$	102	102 $\frac{1}{2}$	102 $\frac{1}{2}$	102	103	101	103
Panama Railroad bonds.....	100	108	108	88	108	—	105	105
Illinois Central 7s.....	87 $\frac{1}{2}$	87	85	85	85	87 $\frac{1}{2}$	87 $\frac{1}{2}$	87
New York Central 6s.....	89	89 $\frac{1}{2}$	89 $\frac{1}{2}$	89 $\frac{1}{2}$	89	89	89	86 $\frac{1}{2}$
Canton Co. shares.....	19 $\frac{1}{2}$	—	18 $\frac{1}{2}$	—	—	19	—	—
Pennsylvania Coal Co.,.....	72	73 $\frac{1}{2}$	74	74 $\frac{1}{2}$	74 $\frac{1}{2}$	75 $\frac{1}{2}$	76 $\frac{1}{2}$	80
Cumberland Coal Co.....	15	—	—	—	—	—	—	18 $\frac{1}{2}$
Del. and Hudson Canal Co.....	108	97 $\frac{1}{2}$	98	98	97 $\frac{1}{2}$	98 $\frac{1}{2}$	98 $\frac{1}{2}$	99 $\frac{1}{2}$
La Crosse Land Grants.....	32 $\frac{1}{2}$	31 $\frac{1}{2}$	29 $\frac{1}{2}$	33 $\frac{1}{2}$	34	34 $\frac{1}{2}$	82	31 $\frac{1}{2}$
Pacific Mail Steamship Co.....	70 $\frac{1}{2}$	72 $\frac{1}{2}$	77	78 $\frac{1}{2}$	78	78	84 $\frac{1}{2}$	90 $\frac{1}{2}$

There is a steady appreciation of State Loans in this market. Missouri Sixes are the lowest on the list, being a fraction under Pennsylvania and Indiana Five per Cents. The dividend on Pennsylvania State Bonds will be payable on the 1st proximo. There are no Massachusetts State Bonds in the market. Ohio Sixes of 1870, are offered at 109 a 110, but 108 bid. Kentucky are rarely offered here. Maryland Sixes are quoted at 105 $\frac{1}{2}$ a 106, and no sellers. The State Sinking

Fund is gradually absorbing large portions of the State indebtedness. Illinois Internal Improvement Sixes are quoted at 101½ a 103. Indiana two and a half per cents, 57 a 58. We annex the prices of State Loans for the past eight weeks:

	June 4th.	11th.	18th.	25th.	July 2d.	9th.	16th.	23d.
U. S. 6 per cents. 1867-8.....	115	115	115½	115	113½	112	111	114
Ohio 6 per cents. 1826.....	104	104½	104	105	105	106	—	108
Kentucky 6 per cents.....	103½	104	104	106	106	106	104	104
Indiana 5 per cents.....	88	90	90	87½	87½	87	87½	87½
Pennsylvania 5 per cents.....	89	89½	89½	89½	89½	89½	89½	89½
Virginia 6 per cents.....	93½	93½	95	96	95	92½	93	93
Georgia 6 per cents.....	100	100	100	101	101	101	98	100
California 7 per cents, 1870.....	85½	85½	86	86	85½	87½	86	86½
North Carolina 6 per cents.....	95	95½	96½	97½	99½	96	96	96½
Missouri 6 per cents.....	84½	85½	87½	87½	87½	84½	85½	85½
Louisiana 6 per cents.....	92	92½	93	94	96	96	90	93
Tennessee 6 per cents.....	90½	90	93	92½	94	91½	92	93

There is renewed activity at the close of the week in railroad shares, without any marked advance. The pending dispute as to the rates of fare between the Hudson River and Lake Erie, has a disastrous effect upon the revenue of the two leading companies of this State. The Galena and Chicago Railroad Company have declared a dividend of four per cent. The policy of making dividends in the face of reduced income, and a large floating debt, is one that should be avoided. Sound policy dictates that a floating debt should be extinguished, and a proper sinking fund created, before a division of (so-called) profits is made.

An examination of the annexed list of the roads whose shares are principally dealt in, shows that their average value in this market is less than 50 per cent. Some of those whose stock is quoted at the lowest figure, persisted in making dividends, even when the money was borrowed to pay them, and no adequate provision made for loss by wear and tear. We annex a comparison of values for the past eight weeks:

	June 4th.	11th.	18th.	25th.	July 2d.	9th.	16th.	23d.
N. Y. Central R. R. shares.....	84½	80½	80½	83½	82½	84	85½	85½
N. Y. & Erie R. R. shares.....	19½	16½	16½	17½	17½	18	18½	18
Harlem R. R. shares.....	11½	11½	—	10	10	10	10½	11½
Reading R. R. shares.....	44½	39½	43½	44½	44	46½	46½	45½
Hudson R. R. shares.....	28½	25½	26	27	26½	26½	28½	28½
Michigan Central R. R. shares..	60	57	54	54½	52½	59	58½	59½
Michigan Southern R. R. shares,	22½	21	20½	21½	21½	22	23½	23½
Panama R. R. shares.....	108½	108	108	109	107	104½	104½	105½
Baltimore & Ohio R. R. shares,	58	56½	57½	56½	57	56½	57	60½
Illinois Central R. R. shares.....	89	87½	83½	84½	75	75½	76	77
Cleveland and Toledo R. R....	35½	34½	32½	32½	32	34½	36½	36½
Chicago and Rock Island R. R.	74½	72½	70½	72½	71½	74½	76½	77½
Milwaukie and Mise. R. R.....	26	19½	20	21	20½	20	18½	17
Galena & Chicago R. R. shares,	87½	84½	82½	84	85	87½	88	90½
La Crosse & Milwaukie R. R....	6½	6½	6½	6½	6½	5½	5	5

The increased amount of surplus capital finds its outlet in the Stock Market. An addition of five, four, three, or even one per cent. to the market values of the Stocks on the market, or ready for any special change, is very important. These are not to be counted as one hundred millions of dollars, but several hundred millions, hence the improved values shown at the Stock Board represent an immense amount of available property.

It is true that many of the shares reported as possessing a market value of 10, 20, to 50 per cent., possess no intrinsic value—that is as sources of revenue. They are available at the moment for raising money on hypothecation; but as to the prospects or probabilities of dividends on the Erie R. R. Shares, Cumberland Coal Shares, Harlem R. R. Shares, La Crosse R. R. Co., Hudson River R. R. Co., few expect ever to see any thing from them of a dividend character; and unless the Railroad Companies agree upon a tariff of 2½ cts. per mile as a minimum, we fear that numerous roads will go into the hands of bondholders. It is announced to-day that the fare from St.

Louis to New York, by the Ohio and Mississippi Railroad, Columbus, &c., has been reduced to \$26 75—this being a reduction of three dollars.

The banking returns for New York City show an expansion in loans during the past two months of about two and a half millions of dollars. We annex the leading items for the past year:

1837-'8.	<i>Loans.</i>	<i>Circulation.</i>	<i>Deposits.</i>	<i>Sub-Treasury.</i>	<i>Bank Specie.</i>	<i>Total Specie.</i>
Jan. 3,	\$109,149,000	\$8,602,000	\$95,846,000	\$11,430,000	\$11,172,200	\$22,602,300
Feb. 7,	112,876,000	8,426,000	96,029,000	13,618,000	11,143,800	24,761,800
March 7,	111,899,000	8,465,000	95,858,000	15,189,300	11,707,300	26,896,600
April 11,	115,374,000	8,787,000	96,518,000	15,174,800	10,884,400	26,059,200
May 2,	114,409,000	9,006,000	99,159,000	14,408,100	12,009,900	26,418,000
June 6,	115,338,000	8,838,000	96,594,000	12,431,000	13,134,700	25,565,700
July 3,	115,044,000	8,901,000	98 834,000	10,317,000	12,837,300	23,154,300
Aug. 1,	120,597,000	8,665,000	94,445,000	12,161,600	12,918,000	25,079,600
Sept. 5,	112,221,000	8,673,000	79,491,000	11,678,200	10,227,900	21,896,100
Oct. 3,	105,935,000	7,916,000	67,978,000	7,748,200	11,400,400	19,148,600
Nov. 7,	95,866,000	6,434,000	56,424,000	5,407,600	16,492,100	21,899,600
Dec. 5,	96,333,000	6,555,000	78,492,000	3,986,400	26,069,800	30,036,200
Jan. 2,	98,549,900	6,490,400	78,635,200	3,259,300	28,561,900	31,821,200
Jan. 30,	102,180,000	6,369,600	83,997,000	3,288,500	31,273,000	34,561,500
Feb. 6,	103,602,900	6,873,000	86,000,400	3,168,700	30,652,900	33,821,600
Mar. 6,	105,021,863	6,854,624	90,382,446	2,996,700	32,739,700	35,736,400
April 3,	110,588,354	7,232,332	93,589,149	5,548,000	31,530,000	37,078,000
April 24,	111,003,476	7,140,851	95,340,344	3,695,000	34,113,800	37,808,806
May 1,	111,868,456	7,431,814	98,438,506	3,145,400	35,064,200	38,209,600
June 5,	116,424,597	7,548,830	101,489,535	5,263,300	32,790,300	38,053,600
July 3,	119,812,407	7,458,190	186,803,210	5,820,000	33,830,200	39,650,200
July 10,	118,863,937	7,571,373	106,429,723	5,342,200	34,705,690	40,647,800
July 17,	119,164,222	7,346,946	107,101,061	5,157,600	35,328,200	40,485,800
July 24,	118,940,482	7,351,045	103,490,896	5,336,000	35,515,000	40,851,000

THE AMERICAN EXCHANGE BANK.—We present our readers with a finely engraved cut of the new building constructed for the American Exchange Bank. This building was finished in July, 1858, and has a front of forty feet on Broadway, and one hundred feet in depth on Cedar Street. We shall in a future number give a more detailed account of the new building, which seems admirably adapted to the convenience and wants of the numerous officers employed in it.

THE
BANKERS' MAGAZINE,
AND
Statistical Register.

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No. 3.

GOLD NOTE CURRENCY.

Short Essays on a Gold Note Currency. 12mo. pp. 46. Published by
R. Brinkerhoof, 103 Fulton St., N. Y.

The author, in his preface, says :

These Essays were published, during the years 1857 and 1858, in the *New York Journal of Commerce*, and the *New York Commercial Advertiser*, and they are now presented to the public in a shape which will enable every thinking mind to form an intelligent opinion of that description of MONEY, designated by the term, "Gold Note Currency." If there be in these Essays any principle of TRUTH—if the Currency here proposed be calculated to add new energy and force to the benign operations of our excellent system of government—if the Gold Note Currency will tend to secure, in the manner provided by our free institutions, a more equitable measure of value—if it will assist in the more general diffusion, among all classes, of those blessings with which Divine Providence is so bountifully and so constantly favoring our happy country—then the suggestions here made will find a ready response in the hearts of the people. If, on the contrary, the views of the GOLD NOTE CURRENCY would tend to embarrass, or defeat, those salutary influences which the founders of the Republic intended should accompany the wise administration of our Government—if the GOLD NOTE CURRENCY would tend to interfere with the happiness and the welfare of the people, in all their business and social relations—then this effort will and should fail to meet with any countenance or support. But the writer cherishes a hope that the people will find in the GOLD NOTE CURRENCY, something suited to their pressing wants, something calculated to confer upon them great and lasting benefits—something founded upon the eternal principle of TRUTH. These Essays first appeared under the signature of "J," and the writer continues to withhold his name, in order that criticism and discussion may be freed from all personal considerations. J.

1. It is conceded that the only money recognized, or sanctioned, by the Constitution, is that composed of the precious metals. This principle was incorporated in our great national Charter, by the fathers of the Republic.

lic, who were intimately acquainted with the manifold evils of an inconvertible paper currency, such as had prevailed under various forms and names, in the Colonies and in the Confederacy, for more than a hundred years. The wisdom of this principle had been demonstrated by an experience which, extending through that long period of time, had embraced public and private, corporate and colonial, and individual as well as government bills of credit, issued and circulated under the direct or indirect sanction of the separate Colonies, or of the Confederacy. All these forms of paper money had proved delusive and unsatisfactory, and disastrous as a measure of value. They had all been tried, and by common consent they were all thrown aside in founding the Republic upon a sure and steady basis; and subsequent experience, covering a period of nearly three quarters of a century, has only confirmed the truth of the views of currency or money which prevailed among the framers of the Constitution. No other money than that recognized by the Constitution, can be relied upon to preserve uniformity in the standard of value and permanency in all the business operations of the people. Nor is it possible to establish any other foundation for a currency than gold and silver; for in the present well known views of the people on this absorbing topic, no amendment or alteration of the Constitution, having that object in view, could be adopted. It follows, therefore, that we must confine ourselves strictly to the letter and the spirit of the Constitution, taking them as our sole guide in all Congressional legislation bearing upon the question of money, of currency, or a measure of value.

2. The evils of an unlimited irredeemable paper currency are self-evident. Its increase produces an artificial rise in prices, wild speculation, reckless extravagance, and when the reaction comes, depression and disaster spread havoc throughout all the departments of business and all the occupations of the people. Banking is now open, in several States, to universal competition. Any man, or a few men, possessing a certain amount of capital, can manufacture and circulate *money*. That power to create *money*, or to furnish a currency, which the Constitution delegates to the General Government alone, is thus thrown open. True, it is regulated; but the basis of State credit, which forms a large part of the security for such money in some places, is not the only basis. Other paper credits are admitted as the foundation of this description of money. We have, or have had, a paper money built upon paper credits, the latter inflated and increased in volume by the circulation of the former, each reacting upon the other, and both inflating prices. We have had superstructures of paper money, constructed upon foundations of paper, without regard to the laws of finance, or the dictates of common sense. We see the natural results of this system, in violent and disastrous fluctuations in prices, revulsions in trade, and depressions in commerce, with reverses in almost every department of human occupation, under which even a great people, pre-eminent in enterprise and industry, with recuperative energies such as no people of any nation ever exhibited before, are periodically hurled into distress, their progressive development interrupted, hopes blasted and energies paralyzed. There is scarcely a city, village, town, or hamlet in any State, which permits unlimited banking, that has not suffered heavy losses by the failure of some unsound bank; and almost every man engaged in business or industrial pursuits, has had thrown upon his hands more or less currency or bank notes, from which he never expects to realize one cent on the dollar.

So general is the distrust created by this state of things, that a vast amount of the precious metals, exceeding two hundred millions of dollars, has been withdrawn from circulation since the discovery of gold in California, and hoarded in private depositories, to the great injury of the business and industry of the country. Indeed, an irredeemable paper money, if continued with all its licentiousness, promises soon to destroy itself; but unhappily it threatens also the destruction of public and private prosperity, unless prevented by some means more powerful and more satisfactory to the people than any yet resorted to by the State governments.

3. Such being the evils which surround us, it is no less the part of wisdom than of duty, to endeavor to remove them, or avert the calamities which their continuance is sure to entail upon us and upon future generations. A government which would permit these evils to be perpetuated, without a struggle to remove them, would fail in performing the first duties of its existence. It would justly deserve the condemnation of an intelligent people, who have already delegated to it all the power requisite for their relief, by express constitutional provision. Yes, happily, the Constitution provides for the emergency. It not only prescribes a rule, as to what shall constitute money, and by whom it shall be coined or issued, but it also declares that no other money shall be issued. Having decided upon the standard of value, it enacts that the General Government shall alone possess the power of coining money, and prohibits the States from exercising that power in any form. Hitherto, however, the General Government has refrained from carrying out the prohibition. Contenting itself with the coining of gold and silver money, and with requiring that, and no other kind of money, it has sought by the force of its example to extend the principle of a constitutional currency, although a reference to the struggle which terminated in getting back the treasury of the people to a constitutional basis—a struggle that was not only prolonged, but also severe and exciting, in which the terrible influence and power of paper currencies were fearfully exhibited—might have suggested bolder action.

4. Government having been endowed with the power of coining money, and the States having been prohibited from exercising that power in any form, it becomes a question of absorbing interest—the question, in fact—whether the time has not arrived for the full exercise of that power, in every form and shape contemplated by the framers of the Constitution, who, in making that instrument, were surrounded, as we are to-day, with overwhelming evidence of the folly, the absurdity, and the evil of paper currencies issued by the various members of the Confederacy, under conflicting systems, and subject to conflicting regulations and laws. The present is a most favorable period in the history of mankind, for carrying out the principle of a constitutional currency, upon a purely metallic basis; for we have now, flowing into the civilized world, one hundred and fifty millions a year in gold, from the most productive mines that have ever been discovered. Our portion of this vast supply which has come to us, has to a considerable extent been driven out of circulation by irredeemable paper currencies; the masses of our people have been compelled to hoard it, from the fact that they could not place confidence in paper currencies. They have been forced to hoard gold to meet their current and prospective wants; for sad experience and the history of paper money convulsions, extending over a century and three-quarters, had taught them how delusive it was to trust their

wealth to pieces of paper which might depreciate ten or twenty per cent., if not prove worthless, at an hour's notice. In those parts of the country where the basis of the paper currency approaches nearest to a specie standard, it was found, upon the recent suspension of the banks, that gold was in the hands of the people in very large quantities; and when they found that it was worth nothing, or almost nothing more than sound paper, they brought it out into circulation, and thus set again in motion, to some extent, the business and the industrial pursuits that had been prostrated by the panic.

5. These and similar facts, together with the most reliable data which Government has been able to collect, prove that there is now in the hands of the people more than two hundred millions in gold, the circulation of which, or of its representative, would add largely to currency, and develop the business and the industry and prosperity of the country. Now, for the Government to receive this gold at its treasuries in exchange for certificates of deposit in the shape of bank notes, or *gold notes*, payable in coin on demand, would only be to exercise those functions which the Constitution has conferred upon it, since the paper currency thus given out, in exchange for gold, being the representative of coin, dollar for dollar, and instantly convertible into coin on demand, is that description of money, or a declaration of the existence *de facto et de jure* of that money which the Constitution requires shall alone exist in the Republic.

Here, then, is a plan for a redeemable paper currency, or a people's currency, such as the Constitution requires, and such as commerce and trade, no less than industry and capital, would find convenient and acceptable. Passing everywhere at the same value, easily transmissible, so regulated as to render counterfeiting impossible, bearing the authority of government, such a currency would become familiar as household words, and would be to us all another endearing bond of union, gratifying to every patriot. Taking the place of other currencies, it would form the basis of the business of banking associations, who would of necessity be forced to withdraw their own paper currencies, from the preference of the people for a currency of universal, and uniform, and reliable value. And the periodical statement of the quantity of this currency in circulation, the quantity redeemed, or the quantity issued, would become a reliable guide to the great business of the whole Union, and form also, with existing statistical systems, a most reliable index to the course of the exchanges with other nations. Prices would become regular, steady, uniform; terrible fluctuations in business would be averted, as far as human power could avert them; and the abuse of paper credit currencies, the bane of our time and country, would be circumscribed within the narrowest possible limits.

6. Is it practicable? Is there sufficient gold in the country to form the basis for such a circulation? Of its practicability there can be no question; for it needs only to be engrafted upon the existing financial system of the government, in the treasury department, with the addition of a few more aids at the various treasuries throughout the country. The quantity of gold in the country, now hoarded, is estimated at over two hundred millions, with about seventy millions in the banks; making together about two hundred and seventy millions, which would constitute the basis for the proposed Gold Note Currency. Now, as the circulation of the banks, in 1856, was about two hundred millions, it follows that the

proposed currency would not only be safer, but also more abundant than the bank note currency of 1856. But even if the gold in the country could not be made the basis of the proposed gold notes, if the system were only introduced, under the sanction of an Act of Congress and the guaranties of government, it would be but a comparatively short time, especially in the present state of the country, before the operation of the laws of trade would supply us with the requisite amount of gold, and force the gold notes into general use.

7. So far as science has been able to investigate the principles of finance, currency and banking, one conclusion has been arrived at, with unanimity by the ablest minds who have devoted their powers of investigation to these subjects, and that is, that no currency system is sound which permits the issue of paper money for a larger amount than the coin actually on hand. Every dollar in paper put into circulation should be represented by a dollar in coin. The proposed Gold Note Currency would possess this characteristic. Descending to more minute details, it would call for the gradual withdrawal, by law, of the currencies or paper moneys now circulated; and being itself accessible in the character or denomination of the values most desirable for circulation, it would take the place of the present bank note circulation without interruption to the course of business. The process of exchange at the various government treasuries would be as accessible to the people as it now is at the banks. The Gold Note Currency would in fact combine all the advantages of the existing paper currencies, of every form and shape, with the additional and vastly superior advantage of being transmissible by registration, in the form of bills of exchange; so that if destroyed by the elements, or stolen, it could be replaced without loss to the owner. It would avoid the risks incident to the transit of large quantities of the precious metals between distant points. It would save to the nation the loss in wear of coin from circulation. The whole people would also gain the profit accruing from the destruction of the gold notes by shipwreck, by fire or other causes, which could not be guarded against by registration. Finally, it would possess the advantage of a *national currency*, intrinsically worth its face in Maine and in Texas, on the Canadian and the Mexican frontiers, on the Atlantic and the Pacific, on the Gulf of Mexico and on the great Lakes, and at every point throughout the length and breadth of the Union.

ESSAY II.

1. *The Power to issue Metallic Money, a Paper Money required for business purposes, the People want Paper Money, the want supplied by the States, evils of the System.*—2. *Inflated Paper Currencies, importance of Government intervention, contemplated by the framers of the Constitution.*—3. *Means of purifying the Currency, the Gold Note system practicable, the Banks of New York City, the Gold Note Currency favorable to Banks of real capital.*—4. *Mode of establishing the Gold Note Currency, its favorable influence on sound Banks, such Banks would remain as Banks of Discount and Deposit, the Gold Notes would facilitate business, increase confidence in Monetary Affairs, and cement the bonds of our Political Union.*

1. The power to issue money is conferred upon the General Government alone, and experience having demonstrated that money composed of the

precious metals is the most reliable, as well as the most permanent measure of value, the Constitution has wisely provided that no State shall make any other kind of money a legal tender. But in the absence of a General Government currency, other than that of *coin*, the States have endeavored to meet the business requirements and the wishes of the people, by authorizing the issue of *paper money*. In some States the right to issue paper money is delegated to the people, under general laws, and thrown open to universal competition, upon pledge of certain paper securities. Paper credits are thus made to form the foundation of paper money, the inflation of the one reacting upon the other, superstructures of paper being built upon paper, without regard to the laws of finance or the dictates of common sense.

2. Now, it is universally admitted that inflated paper currencies produce disastrous fluctuations in trade and commerce, and in every branch of industry, while serious losses fall upon all classes by the depreciation of paper money not adequately secured. To prevent these evils (which were painfully familiar to our fathers who framed the Constitution), the General Government was authorized to exercise sovereign power over the currency, and to fail to exercise that power, at a time when the best interests of all classes of the people demand it, would seem to be a neglect of duty as well as of power. The present seems to be a time when it should be exercised, not perhaps for the good of our own great Empire State—for we are rapidly recovering from the effects of the late panic—but for the good of the whole Union.

3. Reliable data indicate that there is now hoarded, in the hands of the people, or withdrawn from circulation, the enormous sum of two hundred millions of dollars in gold, while there is in the banks an additional sum of seventy millions, which, if transferred to the United States Government in exchange for treasury notes, or "gold notes," would become the basis of a paper currency of over two hundred and fifty millions, based upon gold, dollar for dollar. The bank note circulation of all the banks in the Union in 1856, amounted to two hundred and fourteen millions, or between fifty and seventy millions less than the amount of coin in the country. The rapid extension of paper currencies, their fluctuations and risks, have tended to drive the gold out of circulation. When our New York banks recently suspended, and it was discovered that their notes were so sound that there was little or no gain in exchanging them for coin, specie flowed in upon us from all parts of the country, as well as from abroad; the suspension of our banks became nominal, and their resumption a mere matter of form. If our New York City banks had only had themselves to take care of—if all currencies around us had been as sound as ours—the suspension had never occurred. To all banks created for the lending of money, not to borrow it by means of a distant circulation of notes, the proposed "Gold Note Currency," issued by Government, would be a relief, for it would preserve them from the dangers with which irredeemable or inflated currencies in their vicinity are constantly menacing them.

4. Is the proposed "Gold Note Currency" practicable? So far as its management is concerned, it can be engrafted upon the United States Treasury Department with the help of a few additional clerks. As to the gold now hoarded, if it cannot be obtained for the purpose, a portion of the semi-monthly remittances from California, retained for a few years, under a wisely graduated reduction, by law, of the existing bank note circulation, is

available. Five or even ten years might be given the banks to withdraw their circulation, in an annual per centage, and in the mean time the General Government expenditures being disbursed in "gold notes," an equal amount of gold being retained in the treasury, the "gold notes" would slowly and without inconvenience to business, displace bank notes in all parts of the country. Banks, of course, would remain as banks of discount and deposit, to deal in money and domestic and foreign exchanges; and large numbers of the banks of real capital are reduced to that condition now, their notes (displaced by those of the banks of circulation), being more a source of expenditure than of gain. As to the volume of the Gold Note Currency, it is established by the highest financial authorities, that no paper currency is absolutely sound that is not based upon coin, dollar for dollar, and payable on demand, and in these respects it would possess every characteristic of solidity. In facilitating trade and commerce, the "Gold Note Currency" would be available in every part of the Union, everywhere of equal value, while the receipt of coin at any of the Government Treasuries in exchange for certificates of deposit, would afford facilities for business transactions of great magnitude. The "Gold Note Currency" would also equalize the exchanges between the States, and in its character of one universal currency, always the same, at all times and places, it would become another *bond of union*, gratifying to every patriot.

ESSAY III.

1. Congress empowered to determine the character of the Currency, this power unconstitutionally exercised by the States, the State Systems of Paper Currency, fluctuations produced.—2. Influence of an unsettled currency on prices, disastrous alternations, the next inflation under the system.—3. The lessons of experience, past and present, the Colonies under British Currencies, opinions of the Patriot Fathers, views of Alexander Hamilton.—4. State Banks, a National Bank, views of Thomas Jefferson, the revulsion of 1817, wisdom of Jefferson.—5. Jefferson's plan may now be adopted, abundant supply of means, the Gold Note Currency nearly identical with Jefferson's plan, it would be an abundant currency, its security, would stop hoarding, Gold in the United States, hoarded by the people, wisdom of the people, two hundred years' experience.—6. Probability of another Paper inflation, Gold Note Currency needed, course of public opinion.

[Originally published May 21, 1858.]

1. Upon Congress has been conferred the power to determine what shall constitute money. Practically, however, this provision of the Constitution has been nullified by the individual States, under the authority of whose legislatures there has been issued, for circulation as money, a bank note currency that has undergone remarkable fluctuations. Going back only twenty years, we find it has ranged as follows :

In 1837.....	\$149,185,890
1843.....	58,563,608
1851.....	155,165,251
1854.....	204,689,207
1857.....	214,778,822

How much the volume had risen to in July last, before it culminated, and how much it has fallen since, have not been officially authenticated. It is supposed to have fallen about fifty per cent. below the amount that it was in 1857.

2. Coincident with these fluctuations in the bank note currency, there have been other remarkable changes, produced by or resulting from them, in the prices of commodities and the industrial and business pursuits of the people. Such stupendous alternations in the *measure* of value naturally influence the price of every value. In the case of money itself, we have within eight months seen it fall from four per cent. a month to four per cent. per annum. Money is now accumulating at the great marts. There is a plethora at the principal centres, while paralysis exists at the extremities. Efforts are making to stimulate the circulation of paper money, or bank notes. They will, of course, be successful, although the progress at first, from want of confidence, is slow. Ere long the giant will be upon his feet again, active and enterprising, and as prosperous, apparently, as ever.

3. With a general bankrupt law, or without it, we shall emerge from the late revulsion in the same way that we emerged from similar revulsions before. There is nothing very new in the currency phenomena which surround us. We have had in previous centuries an increase of the precious metals. We have had the same ratio of rapid growth, of wonderful development. From the earliest periods of our colonial history, when our money was made for us in the mother country—when the colonies were supplied with paper money at the caprice of London companies, or of governors sent out by the Crown—we have been accustomed to violent fluctuations in business and prices, resulting from expansions and contractions of the currency. These, in colonial times, formed part of the machinery by which we were made to feel our abject dependence upon the monarchy which controlled our fortunes and held us in subjection. But we were not grateful for such favors. We rebelled. With the achievement of our independence, a better system was inaugurated. Our Constitution afforded full and ample provision for a sound currency. Unhappily, however, this provision of the Constitution was overlooked, or rendered inoperative by the practice of the individual States. State legislatures, released from colonial oppression, naturally aspired to an exercise of the prerogatives which had been enjoyed by the colonies, and among these was the issue of paper money. In vain the Constitution prohibited it. In vain the Fathers of the Republic advised against it, and expressed, in the language of Hamilton, the emphatic opinion that, "The emitting of paper money is wisely prohibited to the State governments."

4. From the creation of State banks, with abuses in the currency, there arose the project of a great regulating bank, to control the smaller ones. Jefferson and his friends hesitated to endorse this mode of regulating the currency, and the first and second national banks were chartered on the ground of necessity, in a financial point of view, to aid in furnishing pecuniary facilities to the Government. When the revulsion of 1817 fell upon the country, the voice of Jefferson was again heard in favor of a constitutional currency. The venerable patriot, still lingering upon earth, came forward in that great crisis to give his parting counsel in favor of the General Government taking into its own hands the regulation of the money of the country, in accordance with the requirements of the Constitution. Our

history during the forty years that ensued, proves the wisdom of his counsels.

5. Had Jefferson's advice been given contemporaneously with an increase of the precious metals, equal to that which we witness in our time, there can be very little doubt that it would have been adopted. But it was given during "a period of gloom and agony; no money, either gold or silver; no paper convertible into specie; no measure or standard of value, left remaining. No price for property or produce. No sales but those of the sheriff and the marshal." There being no adequate supply of gold and silver in the world, accessible to us, may have been, in 1819, a plausible objection to his plan. No such objection can be urged now. We have in the country a supply of the precious metals exceeding the entire paper circulation of all the banks in 1856. To deposit this coin in the United States Treasuries in exchange for a Gold Note Currency, redeemable in gold on presentation, would not be to give us an inadequate circulating medium. On the contrary, it would, in a very brief period, give us an abundant currency. And flowing out with this currency—from the confidence which would accompany and follow the circulation of a money as unquestionably reliable as the coin itself—there would naturally arise a feeling of security, destructive to that distrust which gives rise to the passion for hoarding. This passion has been and continues prevalent. It will remain with the people, and increase in force so long as irredeemable paper currencies are permitted to be issued. In hoarding coin under such circumstances, our people have acted with extraordinary skill. They have displayed a remarkable acquaintance with the character of our irredeemable paper money systems, and have proved, as soon as gold came within their reach, that the experience of two hundred years has counted for something.

6. That many of the States are about to drift again into the maelstrom of inflated paper currencies, and that we are approaching another expansion, which will far exceed any known in our history, are probabilities, not perhaps susceptible of mathematical demonstration, but within the range of calculation from existing data. How great the next inflation will be, we may estimate by the magnitude of the supplies of real money pouring in upon the commercial world from California and Australia, by the depth of the late depression in business, and by the natural tendency of our people to overaction in a season of prosperity. An inflation, growing out of the increase of gold, is inevitable. But when we add to this the additional inflation of an excessive paper money, we prepare the way for another ruinous prostration. To avert this evil, we want a sound currency—such a currency as that proposed in the gold notes, based on coin, dollar for dollar. Whether the General Government now comes forward with such a measure or not, the people will ere long demand it, for time and experience point in that direction, with a certainty almost unquestionable.

ESSAY IV.

1. *Reports of Committees of the Boston Board of Trade and the New York Chamber of Commerce on the late Revulsion, the "Westminster Review" on the Crisis of 1857, Sources of the Calamity, the Currency System, its Defects, Improvements suggested.*—2. *The Past, the Present, and the Future, we should regulate but not destroy, Want of Har-*

mony among the States and the Banks, no Hope but in the General Government.—3. Measures of Value, Weight and Capacity—Customs of Savages contrasted with the Laws of Enlightened Nations, Our Measures of Value not regulated, their Influence has been pernicious, Two Hundred Years' Experience, Policy of the Mother Country to prevent a Uniform Currency, so as to promote Disunion among the Colonists, this Policy continued under the Republic.—4. Irredeemable Paper Money, a False Measure of Value, Struggles of the People to get rid of it, these Struggles have convulsed the Union from Centre to Circumference, is the System to be perpetuated? Suggestions of the Committee of the New York Chamber of Commerce.—5. Proposed Remedy in the Gold Note Currency, what it can do, and what it cannot do, its practicability, the Force of our Example upon other Nations.

1. Three very able papers on the late revulsion have been given to the public. 1. The Report of a Committee of the Boston Board of Trade; 2. "The Crisis of 1857, and its Causes," in the *Westminster Review*; 3. The Report of a Committee of the New York Chamber of Commerce. They all bear intrinsic evidence of great experience, profound study and pure intentions. They have been republished in the *Bankers' Magazine* at New York for May, 1858. That of New York is signed by six of our most distinguished business men.

The Boston report says: "Undue expansion of loans and consequent over issues of bank notes, with a small specie reserve, induce speculation, expansion of individual credit and unnaturally high prices of property, and are as inevitably followed by more or less sudden contraction, as effects follow their causes in the natural world." The *Westminster Review* concludes, "that the currency laws of England and the United States do not provide such a supply of bullion as will meet a general or considerable conversion of notes under the influence of a panic." The New York report advocates a law to compel the banks to retain specie, and says: "Undoubtedly it is much more important that notes should be secured by the pledge of good convertible stocks, and undue issues of bank credit be checked by an enforced holding of gold against deposits, than that small notes should be prohibited." Here is a marked identity of views. Boston points to the evils arising from "over issues of bank notes." London points to the inadequate "supply of bullion." New York, always practical, advises the enactment of a law requiring the "holding of gold." Now, if we take the advice of New York, and compel the banks to keep a liberal reserve of gold on hand to pay deposits as well as circulation, it follows that there could be none of the "over issues" of which Boston complains, and the "supply of bullion," which London deems inadequate, would always be sufficient. Thus, from these three great centres of thought and action we have an identity of views and conclusions pointing to one simple remedy for an acknowledged evil. How to apply that remedy, without endangering existing interests, is the only serious question remaining.

2. The past is beyond our reach. The present alone is ours, and to shape the future judiciously with a conservative desire to regulate, not to destroy, is the aim of every wise statesman and legislator. To regulate our paper currencies, without the intervention of the General Government, would

seem to be impossible. Individual foresight, the self-interest of the banks, and proper views of currency and finance, ought to be sufficient. But they are not. One State may be right, but several others will go wrong. New York, the principal centre, may do much. She has done much. She cannot do all. The task and the cost are greater than ought to be imposed upon her. Nor can she, even if she could afford to, purify the currencies of all the States. It seems futile to expect the banks of the various States to organize the complicated machinery of a financial confederacy, or National Clearing House, to regulate, upon the model of our political system, the entire currency of the country. Individual capitalists seem to think that they can invest their funds more advantageously than in organizing great corporations at the principal centres, to regulate the currency.* Individual States are too largely interested in putting out their credit, or in borrowing from neighboring States by means of paper currencies, to favor any efficient modification of existing systems. Only one source of relief seems to remain, the General Government. It has the power to regulate all standards, all measures, whether of value or capacity.

3. A false measure of value very much resembles, in its social influences, a false measure of capacity. Ever varying measures or standards of value and weight prevail among savage races. Or, rather, they have neither standards of value nor measures. Civilization aims to maintain uniform measures and standards, regulated by law. Hence it is that every enlightened government is armed with this power. In our own case, however, we have had, for two hundred years, an ever varying measure of value in our irredeemable paper currencies, from the neglect of the principal Government to enforce uniformity. As colonies, it was the interest of the British throne to alienate us from each other. A universal currency might have united us. Our different currencies, ever changing, were a powerful means of keeping up colonial individuality. But the Union and the Republic surmounted all obstacles, without, however, purifying our pernicious systems of paper currencies. These remain, as relics of our colonial misgovernment. They have continued under the Republic, as under the monarchy, to prove ruinous to our prosperity. As measures of value they have proved nearly as bad in their influence upon industry and business, as the unsettled measures of savage tribes are injurious to the formation of business habits. It is related of our early trade with the Indians, that one of the chiefs was in the habit of using his foot or his hand as a weight. The foot of an Indian chief would doubtless be more uniform, as a weight, than our paper currencies have been, as a measure of value.

4. We have all felt the evils of an irredeemable paper money system, a false measure of value. Whenever our people have found themselves entangled in its complicated network, they have convulsed the Union from centre to circumference, with their struggles to get free. Fearful, indeed, have been the inciting causes of their struggles. To unsettle industry and property, to overwhelm the laboring poor in misfortunes, to sacrifice the moderate accumulations of the middle classes, to embarrass by disastrous fluctuations the great agricultural, commercial, trading and manufacturing occupations of the people—to do all this, is to arouse in the breast of every man serious forebodings as to the future. In the despondency of present

* This suggestion has been made by the Evening Post.

suffering, despair too often dethrones the judgment, and obscures the avenues of escape leading to a brighter future. We have a future, a great future. It is not for us, it is for our children and our children's children. Let us give to them and to future generations the practical results of our experience. Let us place a solid foundation under our currency, so that the future prosperity of the country may not be interrupted by the recurrence of panics such as we have had to deplore. The Committee of the New York Chamber of Commerce say: "The recent commercial and financial derangements require measures calculated to prevent a recurrence of such evils. The present is a most favorable opportunity; for our banks are full of gold, merchants and traders have not yet embarked in large operations, and none of the other States have resolved upon any new banking laws." This appeal has been unheeded. The legislature of our own State, to which it was made, has adjourned, as Congress will adjourn, without action. We are already preparing for another inflation—putting to sea without rudder or compass. Our sails are spreading, and we shall be, comparatively soon, fit material for wreck in another financial tornado.

5. If our people could only be made to see their danger, if Congress could be aroused to a sense of the practical wants of the country, the evil might be averted at the next session of the present Congress. By simply opening the Treasuries of the Government for the deposit of gold, in exchange for a Gold Note Currency, redeemable on demand, and by the gradual withdrawal of bank notes—leaving the banks to go on, as at present, with the business of discount, exchange and deposit—we might yet secure to ourselves, before another revulsion, a currency that would be as uniform and reliable as it is possible to make it. Panics and revulsions could not shake it. It would be a measure of value for our commodities and the wages of labor and the prices of property, such as could not fail in the present abundance of the precious metals, to prove sufficient for all our wants. It would not, it is true, offer inducements to engage in those wild schemes and reckless adventures which irredeemable paper currencies foster and promote. It would not drive our fathers and brothers to the lunatic asylum, by drifting the business world periodically into a whirlpool of wreck and disaster. It would not confound the dictates of common sense, nor annul those equitable principles of our republican government which aim at securing to every man the right to enjoy the fruits of his own industry. It would not do any of these things. Adopt it, and it will prove to be an honest currency, always the same, never false to the poor man in the hour of his need. It will hold up to our children a high standard of good faith in the performance of promises. It will prove a bond of union, by identifying the money of the country with the existence of the Union. It will be the same everywhere, at all times. It will put an end to currency panics. It cannot, and will not, prevent over-trading and abuses of the credit system, nor will it do away with speculations. But it will mitigate the severity of revulsions from over-trading and from excesses in credit, and it will control speculations within salutary limits. It will be an unquestionable standard of value, worthy of the great, the free and the intelligent population of our Democratic Republic. Other nations, seeing its excellence, will gradually adopt it, and the present abundant supplies of the precious metals offer the means by which it may be introduced in all civilized countries. Thus, again, shall we become a model for the imitation of other nationali-

ties, instructing them in finance as we do in government, by the practical application of true principles.

ESSAY V.

1. *European discussion of the late panic, important publication in the new edition of the Encyclopædia Britannica, by J. R. McCulloch, he adopts the American theory of a sound currency.*—2. *His views of the power of Governments coincide with the theory of the Constitution of the United States.*—3. *He discusses various projects that have been brought forward in England, operations of the existing system, the Bank of England.*—4. *His views of American paper money.*—5. *His allusion to our New York Banks, correction of an error.*—6. *His views of what is needed in the United States, he makes the same suggestion that was made last December in the first of these Essays, his plan identical with the proposed Gold Note Currency.*—7. *The probable consequences of not adopting the Gold Note Currency, hoarding of gold by the people, our New York Currency, New York can take care of herself, conclusion.*

[Originally published June 22, 1858.]

1. European writers have made the panic of 1857, or the "American Panic," as it is called, the subject of earnest discussion and inquiry. In the British Islands the event has attracted most attention, and it has there commanded the investigation of the ablest minds. This naturally arises from our identity of language, our intimate business relations, our systems of representative government, and the fact that the English currency was not strong enough to resist the influence of the panic. The subject has thus become no less interesting and important to the people of those islands than to us. Among their most distinguished writers is J. R. McCulloch, Esq., whose contributions to literature, on commercial and monetary affairs, are standard publications. He has found opportunity to promulgate his views in a new edition of the *Encyclopædia Britannica*, in the article "Money," in which he has carefully examined and discussed the phenomena of the late panic as far as known at the commencement of this year. He finds the source of the evil in the unsoundness of our paper money systems. He there sees the origin, or disturbing cause of the mischief. The remedy, he suggests, is *to establish our paper currency upon a purely metallic basis*. He has arrived at the same conclusions, which our own most experienced business men and statesmen had formed; and this last effort of his genius having now passed into the great libraries of the world, it seems not altogether inappropriate to close these articles with a few extracts from his work, embodying the leading points. We shall find in these, the suggestions which Hamilton and the fathers of the Republic made, on the duty and the power of the General Government to furnish a currency to the people of the whole Union; and, also, the same idea which prevailed among the framers of our Constitution, as to the importance of having only gold and silver for the basis of such a currency—an idea which was pressed upon public attention by Jefferson and others. Coming down to contemporary writers or authorities, we shall find that his conclusions are almost identical with those which our leading business men and statesmen, without distinction of party—including the President of the United States, the Secretary of the Treasury, the Governor of the State of New York, Committees of

the New York Chamber of Commerce, and the Boston Board of Trade, &c., &c., had arrived at on this question of the currency, or on the importance of maintaining a permanent specie basis.

2. Of Government in general, he says: "It is the duty of Government to take care that the value of the currency shall be as invariable as possible; but it has never been pretended that it was any part of its duty to inquire into the security given by borrowers to the lenders of money, any more than into the security given by the borrowers to the lenders of any thing else." p. 454.

This is the theory of our own Constitution, which gives to the General Government entire control of the currency, and excludes the idea of selecting any other basis than the precious metals, the most invariable measure of value known to mankind; and having provided for that description of currency, the Constitution authorizes the Government to prohibit the issue of any other by the individual States. Having performed these functions, our Government, under the Constitution, ceases to have any power over the monetary affairs of the people, except so far as these may be influenced, indirectly, by the execution of the other delegated powers.

3. Mr. McCulloch proceeds to discuss projects which have been brought forward from time to time, to alter or make more uniform, the currency of Great Britain. One of these was a proposition to vest the issue of a national paper money in the hands of Government commissioners. He condemns it, because the commissioners "would act as directed by the Government of the day;" it would lessen "the security" which the Bank of England now gives to the public, and increase "the chances of over issue and mismanagement." p. 466. Another proposition was, to transfer the issue of notes "from the bank to the mint," no paper to be issued except for bullion deposited. p. 467. This he opposes also, on the ground, principally, that "it would be absurd to make greater sacrifices in favor of security than what are sufficient to obtain it in its most perfect state," by the act of 1844. That act provides that a paper currency of fourteen millions sterling may be issued by the Bank of England without any specie reserve, but all paper issues above that sum must be represented by an equal amount of coin or bullion in bank, and all banks existing when the bill passed were restricted in their issues to the amount of paper which they had in circulation that year, no new bank to be established with authority to issue paper money. p. 467. Hence "the extinction of the country issues is being gradually effected, partly by some of the issuing banks finding it to be for their advantage to use the notes of the Bank of England instead of their own, and partly by the winding up of some concerns and the bankruptcy of others." Thus the entire control of the currency is gradually centering in the Bank of England, the government banker, and one of the great powers of the State. Mr. McCulloch defends this system, not perhaps so much because he considers it perfect, but probably because it is the best which can now be obtained, or that is practicable; and having been found to work more advantageously than the former system, he deems it advisable to maintain it.

4. Of our American paper money system, he says: "Under this system, the changes in the amount and value of the paper currency of the United States have been greater than in any other country; and it has produced an unprecedented amount of bankruptcy and ruin." p. 491. Of the late

revulsion, he says: "It may be expected to awaken, if that be possible, the American people to a proper sense of the enormous abuses connected with the banking system; and the necessity of placing it on an entirely new foundation." Again he remarks: "A tendency to panics is, in fact, one of the peculiarities of the American system." p. 493.

5. Of our New York system he speaks without due discrimination, in consequence, apparently, of erroneous information having been communicated to him. Had he written a few weeks later, with authentic data before him, he would have been enabled to discover, in the condition of our New York City Banks, just cause for special commendation of the officers of these institutions, through whose practical good sense and intelligence the business of banking in this city has been placed upon a foundation of the most unquestionable character, notwithstanding the complicated embarrassments which are constantly occurring in some section or other of the country from fictitious paper currencies. The solvency of banking institutions, and the soundness of a paper money system are, in our case, very different things. As to the securities taken for our New York paper money, he errs in supposing that they include stocks of canals and railways, and private corporations. (p. 493.) With these exceptions, his review of the history of our paper currencies is remarkably accurate for a European.

6. Our American paper money system, he says, "forms at present, the most gigantic abuse by which an intelligent people ever permitted themselves to be disgraced and oppressed." p. 494. "It is truly astonishing, seeing the extreme inconvenience resulting from such a state of things, that it should be tolerated even for a week. If the General Government be not sufficiently strong to suppress local issues, and to substitute in their stead a national paper issued on deposits of bullion, the public may, if they choose, rid themselves of the evil by refusing to accept payment otherwise than in coin." Here is precisely the same idea that has been advocated in the GOLD NOTE CURRENCY: the issue of gold notes in exchange for coin or bullion deposited at any or all of the Treasuries of the General Government, the notes to be payable on demand. Mr. McCulloch suggests the measure, at the close of his long and able review of the whole question in all its bearings, as seen in the lights of practical experience, scientific analysis and historical research. It is with him *the end of the controversy*.

This suggestion was published in the *Journal of Commerce* last December, in the first article that appeared on the Gold Note Currency, and republished in London about two weeks subsequently.

The publication of the idea seems to have been made first on this side of the Atlantic. Mr. McCulloch intimates that his latest advices from America were of the date of December, at the time he closed the article "Money" for the *Encyclopædia*. The first two of these Essays appeared in the *Journal of Commerce* and the *Commercial Advertiser* of December 15th. The first Essay was republished in London on the 1st of January, and Mr. McCulloch's article closes by suggesting the same plan of relief which that Essay advocated. But, in saying this, the writer does not wish to cast the slightest doubt upon the originality of Mr. McCulloch's views. His only wish is to defend the originality of the leading idea in these Essays, since the almost simultaneous publication of two plans, so nearly identical, would, unexplained, have given opportunity for severe criticism. He is convinced that Mr. McCulloch's intimate acquaintance with all mat-

ters relating to currency, enabled that eminent political Economist to see at once, as if by intuition, the true remedy for our paper money evils. That one mode of relief should have occurred at nearly the same time to persons in both hemispheres, is only another evidence, added to many that might be named, of the tendency of different minds to draw similar conclusions from the same data.

The idea of a national currency, through the intervention of the General Government, is as old as our Constitution, but the power to demonstrate its practicability, (from an adequate supply of the precious metals and the practical experience of conducting a large volume of business in these metals,) has only been acquired within a few years. The influences of the late panic, and the able and enlightened exposition of the currency question in President Buchanan's Message to Congress, suggested inquiry. That Message was calculated to arouse the intelligence of the age to an examination of the currency question. It was the appeal of a great mind, occupying the foremost position among mankind. It was, in effect, a challenge, calling out the intellectual power of the world to discuss the currency question. It has been responded to by several writers in both hemispheres, but if any practical form is begun, it must be commenced by *the people themselves*. J.

7. What is the alternative, if we fail to adopt the Gold Note Currency, or some kindred measure? It is thus presented to us by Mr. McCulloch: "The public may, if they choose, rid themselves of the evil, by refusing to accept payment otherwise than in coin." A universal hoarding of gold throughout the country, for present and prospective wants—that is the cure which the people are already applying to the evil of irredeemable paper currencies. It is true that such paper currencies may continue to prevail in the absence of any authoritative prohibition, but with past experience to guide them, and in the present abundance of the precious metals, the masses of the people will prefer coin. As for our New York currency, we are perfectly satisfied with its ultimate security, and although defective in immediate convertibility under panic, our City Banks are abundantly able to protect the interests of the vast commerce and trade of our State. It is not so much for our own sake, here in New York, that a sound currency is advocated, as it is for the good of other States, and of the whole Union, in which all are alike interested. If the people continue to hoard gold in the absence of a reliable currency, we shall of course retain a considerable portion of the supplies coming in from California, and before the demand for hoarding ceases, we may absorb twice as much as would be required to form the basis of the proposed Gold Note Currency. The entire bank note circulation of 1856, was about two hundred and fourteen millions, or about eight dollars to each inhabitant, which is considered an ample currency. Now, there is in the country, at this moment, as near as can be ascertained, not less than two hundred and fifty millions, and probably as much as three hundred millions of dollars of the precious metals. Yet, such is the inconvenience of giving active circulation to these metals, and so great is the distrust of bank notes, and so low is public confidence, that the actual amount of money now in circulation throughout the country is supposed to be less than one hundred and twenty millions of dollars. If it will take a hundred or two hundred millions more of gold to restore confidence, and set again in as active motion as ever all the wheels

of industry, trade, commerce, agriculture and manufactures, we shall receive it: other nations will gladly spare it to us; but we shall lose the interest on our vast surplus hoards, and by accumulating so much more than we need for a uniform and permanent measure of value, we shall be inflicting upon ourselves an uncalled for sacrifice of capital. But if a better system can be devised, than that proposed in the Gold Note Currency, it will be hailed with satisfaction and earnestly supported by the writer.

The author appends various quotations, a portion of which we add as

AN APPENDIX.

What are the effects of issuing Paper Money without a Metallic Basis? or of regulating the supply of it, by the demand for it?

THE constant tendency of banks [of issue] is to lend TOO MUCH, and to put TOO MANY notes in circulation.—*Nicholas Biddle, President U. S. Bank, 1828.*

We have in lieu of gold and silver, a paper medium, unequally but generally depreciated, which affects the trade and industry of the nation; which paralyzes the national arm; which SULLIES THE FAITH, both public and private, of the United States.—*John C. Calhoun, 1816.*

I consider the opinion entertained by some, that the bank ought to regulate its issues by the public demand, as DANGEROUS IN THE EXTREME.—*Francis Baring, London.*

[The American paper money system] forms at present THE MOST GIGANTIC ABUSE by which an intelligent people ever permitted themselves to be DISGRACED and OPPRESSED.—*J. R. McCulloch, Money, 1858.*

The history of trade in the United States for the last three or four years, affords the most convincing evidence that our present condition is chiefly to be attributed to over action in all the departments of business; an over action deriving, perhaps, its first impulses from antecedent causes, but stimulated to its destructive consequences BY EXCESSIVE ISSUES OF BANK PAPER.—*Martin Van Buren, President of the United States, Message, Sept., 1837.*

It is a TREMENDOUS POWER, that of increasing or diminishing the circulating medium of the whole country. It is a deep responsibility, and demands sound discretion and much wisdom in its regulation. Unfortunately there appears to be no unity of action, NO CONTROLLING PRINCIPLE, in the management of this power.—*Nathan Appleton, Boston, 1857.*

We have tried to make that money, which is NO MONEY We wonder that SPECIE does not stay in the land; it is because we think PAPER MONEY is just as good, and France and England do NOT. It rains gold, and we hold our dish bottom upwards—of course it is empty.—*Theodore Parker, 1857.*

The enacting of security [other than the precious metals] from the issuers of paper, would not obviate fluctuations in its amount and value, and could not therefore place the currency on a proper footing All LOCAL issues of paper money should be suppressed.—*J. R. McCulloch Essay on Paper Money and Banks.*

A tendency to PANICS is, in fact, one of the PECULIARITIES of the

American [paper money] system.—*J. R. McCulloch, in the Encyclopædia Britannica, 1858.*

This destruction of bank paper [from 1813 to 1826] is said to have produced an extent of wretchedness and misery never equalled in any European country by any similar catastrophe, except, perhaps, by the breaking up of the Mississippi scheme in France.—*J. R. McCulloch, on Paper Money, &c.*

The most simple way to deprive the mechanics and the laborers of their rightful share in the general prosperity of the country, would be to reduce their wages; and it would be the fairest, because it would be readily understood. But an increase of the amount of [fictitious paper] money in circulation, which will increase the prices of all kinds of commodities, is quite as effectual, and more easily accomplished, because it is not so quickly comprehended. What great difference can it make to the mechanics and laborers, whether the amount of their wages is reduced, or whether the cost is increased of the food, clothing, rent, and other supplies for their support? It is said they are as "well off" when prices are advanced, because they get more for their labor. But that is not true. Commerce regulates, to some extent, the price of labor. The first maxim of trade is, to buy where goods are cheapest. If the price of labor is advanced, the cost of production will be increased, and the merchant will then find it more profitable to import goods than pay higher wages for labor to manufacture them at home. For that reason, and because the profits of manufacturing depend as well upon distant as upon local commerce, wages do not rise in proportion to other things when the [fictitious paper] currency is extended.—*Currency or Money, by a Merchant of Boston, 1855.*

An improved currency [upon a specie basis, dollar for dollar] would do much to obviate the complaints of the interference of foreign labor with our domestic industry, FOR IT WOULD STRIKE AT THE ROOT OF THE DIFFICULTY WHICH CAUSES THOSE COMPLAINTS.—*Currency or Money, by a Merchant of Boston, 1855.*

Our system of banking fails in relieving the public, or even to sustain itself in great emergencies. . . . An expansion brings with it high prices, not only for the articles produced at home, but creates a demand for the luxuries of the world. The advance in values at home enters into the cost of production, while the foreign article is not affected; consequently the home market becomes closed against American labor. . . . Free trade, as it now exists between this country and the world, UNDER OUR SYSTEM OF CURRENCY, is nothing more or less than protecting foreign labor at the expense of home industry. . . . If it be a correct principle that the currency be the measure and representative of value, then it is equally correct that prices will range in proportion to the quantity. . . . An increase in value can only benefit those holding property—they getting the advance while others have it to pay. A sudden fall does not affect the wealthy man, for he is not compelled to sell; but, on the contrary, the needy must realize, or go to protest. And if the banks, on the day of suspension, had been placed in the hands of receivers, as it was generally expected (from which we escaped through the enlightened views of the judges of the Supreme Court, to whom the whole country owe a debt of gratitude), the winding up of the banks must have wound up the people, and general bankruptcy been

the result, when the property of our city would have gone into the hands of the few. . . . We want something beyond the power of man to control; some system that is self-adjusting, with checks and balances that will not interfere with the reasonable profits of banking, secure to us A CURRENCY AT ALL TIMES REDEEMABLE IN SPECIE, WITHOUT LOSS TO THE PUBLIC. . . . What has been, may be expected to occur again; and as long as the present system be in existence, we shall be subjected to the calamities of 1837 and 1857.—*Wilson G. Hunt, Esq., Address at the Annual Meeting of the New York Mercantile Library Association, 1858.*

The effect of an increase or decrease of money, whether it be in coin or in paper, . . . is the same on prices. Every thing rises with the increase and falls with the decrease.—*Historical Survey, Bankers' Magazine, April, 1855.*

Paper money [not based on coin] was issued in Massachusetts in 1690, and other colonies soon followed the example. Prices rose so rapidly with the increase of this currency, that the man who bought an ox on six months' credit, could pay his note when it became due with the money for which he could sell a half year old calf. Property, which cost a thousand dollars, could be sold within a year for twenty thousand.—*Historical Survey, Bankers' Magazine, April, 1855.*

Has Congress the power to establish a Gold Note Currency.

The Congress shall have power to coin money, regulate the value thereof, and of foreign coin.—*Constitution of the United States.*

No State shall . . . coin money; emit bills of credit; make AN YTHING BUT GOLD AND SILVER COIN a tender in payment of debts.—*Constitution of the United States.*

The emitting of paper money is wisely prohibited to the State Governments.—*Alexander Hamilton.*

Paper money . . . by breaking up the measure of value, makes a lottery of all private property. . . . Shall we ever be able to put a CONSTITUTIONAL VETO upon it?—*Thomas Jefferson.*

It is essential to every modification of the finances that the benefits of AN UNIFORM NATIONAL CURRENCY, should be restored to the community.—*James Madison, President of the United States, Message Dec. 5, 1815.*

Of the ability of the United States Treasury to manage the proposed Gold Note Currency, no one conversant with the practical details of that Department entertains a doubt. The office at New York alone has transacted, on account of the Treasury and the Mint, a business exceeding TWO HUNDRED MILLIONS A YEAR in coin and bullion! and so perfect is the system, that in conducting this enormous business, since the establishment of the Sub-Treasury, in 1846, not ONE DOLLAR has been lost by the Government!

There has been an extraordinary revolution in the currency of the country. By a sort of under current, THE POWER OF CONGRESS TO REGULATE THE MONEY OF THE COUNTRY has caved in, and upon its ruin has sprung up those institutions which now exercise the right of MAKING MONEY in and for the United States.—*John C. Culhoun, 1816.*

In every civilized country, supplying and regulating the circulating medium is a function of the sovereign prerogative.—*Tooke.*

A plan for the establishment of a NATIONAL MEDIUM, through the agency of the State Banks, was entertained by the Secretary of the Treasury under President Madison, but failed to be introduced in consequence of want of harmony among the banks.—See proposition relating to the Circulating Medium, Dec. 6, 1815.

The last National Bank, recommended by A. J. Dallas, Secretary of Treasury, 14th October, 1814, was chartered by Congress, April, 1816, for twenty years. It was supported mainly with a view of regulating the currency. It was advocated as the best means of securing a national paper money.

A large volume might be filled with quotations similar in purport. HAMILTON, JEFFERSON, MADISON, CLAY, CALHOUN and WEBSTER, all conceded the right of Congress to regulate the currency. Indeed, the right has seldom if ever been disputed.

NO FREE TRADE IN COINING.—The commercial editor of the New York *Independent* suggests, that although our system prohibits free trade in coining real money, it permits an unlimited manufacture and issue of paper money. Here is a great truth. Our excessive issues of paper money drive out of the country our coined money. Yet we expect always to find our paper money based on the coined money. As well might we expect a frame house to stand upon foundation walls that had been submerged a thousand feet deep in quicksand.

"IT IS THE DUTY OF GOVERNMENT," says McCulloch, "to interfere, to regulate, every business or pursuit that might otherwise become publicly injurious. On this principle, it interferes to prevent the circulation of spurious coins." Counterfeit coin is more easily detected than a fictitious paper currency, yet no sane man would advocate the repeal of the laws which prohibit it. Why, then, permit the unlimited manufacture of fictitious paper money?

THE CELEBRATED BULLION COMMITTEE "agreed in considering a paper circulation, constantly convertible into specie, as one of the greatest practicable improvements which can be made in the political and domestic economy of any State, and that such convertibility was a complete check against over issue."

CURRENCY GOVERNS PRICES.—The proposition, "prices rise and fall with the volume of the currency," is now generally regarded as a truth. It has too often been sadly disregarded in the discussions which have taken place on questions of currency, commerce, manufactures and trade. It is thus stated in the *History of Man*, Edinburgh, 1774: "I put a single case, that the half of our current coin is at once swept away by some extraordinary accident . . . the price of commodities, after some fluctuations, will settle at the one half of what it was formerly. . . . Put next the case, that by some accident our coin is instantly doubled: the result must be, not instantaneous indeed, to double the price of commodities."

In Buenos Ayres, where there is a fictitious paper currency, the doblon of sixteen dollars is current at *three hundred and sixty-eight* dollars paper. One dollar of real money is thus worth twenty-three dollars of Buenos Ayres paper money. The prices of all commodities range in the same proportion.

MANAGEMENT OF THE BANK OF ENGLAND.

BY J. R. McCULLOCH.

From the Fifteenth Volume of the Encyclopædia Britannica ; or, Dictionary of Arts, Sciences and General Literature. Eighth edition. LITTLE, BROWN & Co. Boston. 1858.

WHEN the charter was renewed in 1833, the notes of the Bank of England were made legal tender everywhere in England except at the bank.

Of the wisdom of this regulation no doubt can be entertained. Bank notes are necessarily always equivalent to bullion; and by making them substitutes for coin at country banks, the demand for the latter during periods of alarm or runs is materially diminished, and the stability of the bank and of the pecuniary system of the country proportionally increased. Since 1826 the bank has established branches in some of the great commercial towns. The mode and terms of conducting business at which, have been described as follows :

"The branch bank at Swansea (and the same is true of those established in other places) is to be a secure place of deposit for persons having occasion to make use of a bank for that purpose; such persons are said to have drawing accounts: to facilitate to the mercantile and trading classes, the obtaining discount of good and unexceptionable bills, founded upon real transactions, two approved names being required upon every bill or note discounted; these are called discount accounts. The applications of parties who desire to open discount accounts at the branch, are forwarded to the parent establishment for approval, and an answer is generally received in about ten days. When approved, good bills may be discounted at the branch without reference to London. Bills payable at Swansea, London, or any other place where a branch is established, are discounted under this regulation. The dividends on any of the public funds, which are payable at the Bank of England, may be received at the branch, by persons who have opened drawing accounts, after signing powers of attorney for that purpose, which the branch will procure from London. No charge is made in this case, except the expense of the power of attorney and the postages incurred in transmitting it. Purchases and sales of every description of government securities are effected by the branch at a charge corresponding to that made by the local bankers where the branch is situated. A commission, including brokerage in London, and all expenses of postage, is charged on paying at the Bank of England bills accepted by persons having drawing accounts at Swansea, such bills to be advised by the branch; also for granting letters of credit on London, or on the other branches. The branch grants bills on London, payable at seven days' date, without acceptance, for sums of £10 and upwards. Persons having drawing accounts at Swansea, may order money to be paid at the bank in London to their credit at Swansea, and *vice versa*, at a charge of 6 pence in

lieu of postage. The branch may be called upon to change any notes issued and dated at Swansea; but they do not change the notes of the bank in London, nor receive them in payment, unless as a matter of courtesy where the parties are known. Bank post bills, which are accepted and due, are received at the branch from parties having drawing accounts, and taken to account without any charge for postage; but unaccepted bank post bills which must be sent to London, are subject to the charge of postage, and taken to account when due. No interest is allowed on deposits. No advance is made by the branch upon any description of landed or other property, nor is any account allowed to be overdrawn. The notes are the same as those issued by the parent establishment, except being dated Swansea, and made payable there and in London. No note issued exceeds the sum of £500, and none are for a less amount than £5." But though it might have been advisable to establish offices in Manchester, Birmingham, and one or two more great towns, for the interchange of bank-notes and gold, we much doubt whether the establishment of the branch banks has been advantageous.

Speaking generally, it may be laid down that local affairs are best conducted by local agencies; and this is believed to be especially the case in banking. It is a business which is most likely to flourish when those by whom banks are established in country districts belong to those districts, and are well acquainted with the character and pursuits of those with whom they deal.

The Bank of England transacts the whole business of government. "She acts not only," says Adam Smith, "as an ordinary bank, but as a great engine of State. She receives and pays the greater part of the annuities which are due to the creditors of the public; she circulates exchequer bills; and she advances to the government the annual amount of the land and malt taxes, which are frequently not paid until some years thereafter."

The greater part of the paper of the bank has generally been issued in the way of advances or loans to government, upon security of certain branches of the revenue and in the purchase of exchequer bills and bullion; but her issue through the medium of discounts and advances to individuals has also been at all times considerable, while during war, and in periods of distress, it is occasionally very great. Generally, however, the directors do not appear to have thought it advisable to enter into any very keen competition with private bankers in the discounting of mercantile paper. And hence it is that the rate of interest charged by the bank for loans, being usually equal to, and sometimes rather above the market rate, comparatively few applications are made to her, in ordinary periods for discounts. But, at the same time, every one who has any reasonable security to offer, knows where they may always be had; while the rate of interest charged by the bank necessarily forms a *maximum* rate which no other establishment can exceed. When, however, any circumstances occur to occasion a pressure in the money market, or a difficulty of obtaining accommodations in the usual channels, the market rate of interest generally rises to the rate fixed by the bank, how high soever that may be, and on such occasions the private bankers, and the public generally resort to the bank for aid. She then becomes, as it were, a *bank of support*; and has, as such, on various occasions, rendered good service to public credit, and to the commercial interests of the country.

But, at the same time, it must be admitted that the interference of the bank in assisting the commercial interest, is a matter that requires the greatest consideration, and that it can only be safely undertaken in rare instances and under very peculiar circumstances. We repeat, again, that however a drain for gold may originate, the fact of its existence shows conclusively that gold is more valuable abroad than here, and consequently that the currency is redundant and ought to be diminished. Under such circumstances, it is the imperative duty of the directors, if they would prevent the total exhaustion of their banking reserve, not to fill up the vacuum caused by the exchange of notes for bullion, by the issue of fresh notes. It is at such periods, no doubt, that the applications for assistance are the most urgent; but it is impossible to yield to them, and at the same time to enforce that systematical and continuous reduction of the issues which is indispensable for the safety of the banking department of the bank. She can no longer assist herself as on former occasions, by making fresh issues of paper. And in truth that resource was of no real advantage to her, but the reverse. It tempted her to disregard those great principles and warnings which never can be neglected with impunity. The great commercial crises that took place in 1793, in 1815-16, in 1825, and in 1836-'39, were all increased in violence and destructiveness by the bank declining to narrow her issues immediately on the exchange becoming unfavorable, and deferring her repressive action till too late a period.

When the bank sets about reducing her issues, she may effect her object in various ways, viz.: by rejecting a portion of the bills sent to her for discount, by raising the rate of interest at which she discounts or makes advances, by shortening the dates or *échéance* of the bills which she negotiates, and by selling bullion and securities. Of these means, some may be more or less expedient at one time, and some at another. On the whole, however, the first mode, or the rejection of bills, seems to be, in all respects, the most objectionable. The bank will not, of course, discount any bill in regard to the payment of which there can be any reasonable doubt. And when the solidity of the bills offered for discount cannot be objected to, it becomes an invidious, if not an unjust proceeding, to discount some and reject others. Under such circumstances, the true plan is to raise the rate of interest, for while such rise operates equally and universally, it makes rich parties, or those who can avail themselves of other means of accommodation, withhold their demands, and thus effects its object in the fairest and easiest way; and without sacrificing individuals.

Inasmuch, however, as any sudden rise in the rate of discount, especially if it be considerable, is always productive of more or less inconvenience to the mercantile world, it may be proper, when exchange becomes unfavorable, to endeavor to restore it to par by shortening the dates of bills, and if circumstances will permit, by selling bullion and securities. But, at all events, the redundancy of the currency must be got rid of and the exchange redressed; and if the other means at the disposal of the bank be inadequate to effect this object, a rise in the rate of interest should be at once resorted to, and carried to the necessary extent.

It may be observed, with respect to the sale of securities, that they may be wholly or partly paid by the drafts against deposits held by the bank. But, if so, it is clear that, at all events, her debts, or the obligation under which she lies to pay notes or gold to depositors when demanded, will be so far reduced.

The fact that the applications for discounts at the bank are usually most numerous, when the rate of discount is highest, has made some doubts be entertained in regard to the efficacy of a rise in that rate to raise the value of the currency, and restore an unfavorable exchange to par. But the additional demand for discounts, on the occasions referred to, is most commonly a consequence of the increased difficulty of obtaining them in other quarters; and when the rate of discount becomes unusually high, apprehensions of a revulsion begin to be entertained, and bankers and others carry bills to the bank, not that they may get gold to send abroad, but that they may provide for their own security, by getting a supply of notes, or gold, or both, to keep in reserve. And it is further to be observed, that the rise in the rate of interest, whether it be, as it usually is, the result of capital becoming scarcer or more productive or of a temporary increase in the demand for money, uniformly operates to hinder the exportation of the latter. That such is the case is evinced by what took place in 1825, and in 1836-7. And on the recent occasion, notwithstanding the large sums lent by the bank on bills and advances of one sort or other, the ten per cent. rate of interest charged by her was sufficient to stop the efflux of bullion to the Continent and the United States; and, but for the abuse of credit by some private establishments, the restoration of the exchange to par, would have been effected without any internal revulsion.

The Bank of England rarely discounts bills that have more than two, or at most three, months to run, and it were well were this rule generally observed by other establishments. The discounting of bills at long dates is a powerful stimulus to unsafe speculation. When individuals obtain loans which they are not to be called upon to pay for six, twelve, or perhaps eighteen months, they are tempted to adventure in speculations which are not expected to be wound up till some proportionally distant period, and as these not unfrequently fail, the consequence is, that when the bills become due, there is commonly little or no provision made for their payment. In such cases the discounters, to avert an imminent loss, sometimes consent to renew the bills. But, while a proceeding of this sort is rarely productive of ultimate advantage to either party, the fact of its having taken place makes other adventurers reckon that, in the event of their speculations proving to be less successful than they anticipated, their bills will be treated in the same manner, and thus aggravates and extends the evil.

In other respects, too, the discount of bills at long dates, on their renewal, or the making of permanent loans, is altogether inconsistent with sound banking principles, for it prevents the bankers from having that command over their resources which is advantageous at all times, and indispensable in periods of difficulty or distress.

On the discounting of bills a great deal of stress is usually laid on the distinction between those that arise out of real transactions and those that are fictitious, or that are intended for accommodation purposes. The former are said to be legitimate, while the latter are stigmatized as illegitimate. But Mr. Thornton has shown that the difference between these two classes of bills is neither so well marked nor so wide as most persons suppose. A notion seems to be generally entertained that all real bills are drawn against produce of one sort or another, which, at its value, is supposed to form a fund for their payment. Such, however, is not always,



nor even most commonly, the case. A, for example, sells to B certain produce, for which he draws a bill at sixty days' date. But prices are rising, trade is brisk, or a spirit of speculation is afloat, and in a week or two (sometimes less), B sells the produce at an advance to C, who thereafter sells it to D, and so on. Hence it may, and in fact, frequently does happen, that bills amounting to four, five, or even ten times the value of a quantity of merchandise, have grown out of its successive sales, before the first bill of the series has become due. And not only this, but bills are themselves very frequently rediscounted; and in this case the credit of the last indorser is generally the only thing looked to; and there is not, perhaps, one case in ten in which any inquiries are made in regard to the origin and history of the bills, though they are often of the most questionable description.

On the whole, therefore, it would seem that the real or presumed solidity of the parties signing a bill, and responsible for its payment, is the only safe criterion by which to judge whether it should or should not be discounted. But the fact of a merchant or other trader offering accommodation bills for discount ought unquestionably to excite a suspicion that he is trading beyond his capital. Inquiries of the most searching description should forthwith be instituted, and unless satisfactory explanations are given, his paper should be rejected. On the same principle, the offering of bills for rediscount ought to awaken suspicions of the bankers and others who resort to so questionable a mode of carrying on business. But, except in so far as a feeling of distrust may be thus very properly excited, there does not appear to be any thing in an accommodation bill *per se* to hinder it from coming within the pale of negotiability. It is a mode of obtaining a loan from a bank; and when the character of the bill is known to the banker, or is openly declared, it does not appear to be an objectionable mode.

Besides bills avowedly intended for accommodation purposes, another and a different variety of such bills is drawn by parties at a distance from each other, often men of straw, and made to appear as if they were bottomed on real transactions. And we are sorry to say, that bills of this sort are always current, and often to a large extent. Of course no person of respectability can be knowingly connected with such bills, which are almost always put in motion either to bolster up some bankrupt concern, or to cheat and defraud the public. But despite the mischief of which they are productive, it appears to be pretty generally supposed that the currency of these bills is an evil which cannot be prevented. There can, however, be no doubt, that it may, at all events, be very greatly diminished; and this desirable result would be effected were it enacted that all bills shall henceforth bear upon their face what they really are. That those that are intended for accommodation purposes shall have at their head the words "Accommodation Bill;" and that those only shall bear to be for "value received," that have grown out of *bona fide* transfers of property. An enactment of this sort could not be felt as a grievance by any one unless he had a fraudulent purpose in view. And were the impressing of a false character on a bill made a criminal offence, punishable by three years' imprisonment, or some such penalty, there is every probability that a formidable check would be given to the issue of spurious bills, and to the manifold abuses to which the practice gives rise.

Bill discounters who have got fictitious paper on their hands, and attempt, as has been done, to get rid of it by concealing its character, or representing it in a favorable light, make themselves parties to the fraud. Such conduct is so very flagitious, that when it can be fairly brought home to the parties, it should subject them to the severest penalties.

The dividends on bank stock, from the establishment of the company to the present time, have been as follows:—

<i>Years</i>	<i>Dividend,</i>	<i>Years.</i>	<i>Dividend.</i>
1694.....	8 per cent.	1764.....	5 per cent.
1697.....	9 “	1767.....	5½ “
1708 } Varied from 9 to 5½ per		1781.....	6 “
1729 } cent.		1788.....	7 “
1730.....	6 per cent.	1807.....	10 “
1730.....	5½ “	1823.....	8 “
1721.....	6 “	1839.....	7 “
1728.....	5½ “	1852.....	7½ “
1747.....	5 “	1853.....	8 “
1753.....	4½ “	1856.....	9½ “

Rate of Discount.—The Bank discounted private bills at 5 per cent. during nearly the whole period from her establishment till 1824, when the rate was reduced to 4 per cent.

AN ACCOUNT OF THE MINIMUM RATE OF DISCOUNT CHARGED BY THE BANK OF ENGLAND, IN LONDON, FROM 1694 TO 1855.

From Aug. 8, 1694, to Aug. 30, 1694, on foreign bills.....	6 per cent.
“ Aug. 30, “ to Jan. 16, 1695, on foreign bills.....	4½ “
“ Oct. 24, “ “ “ on inland bills.....	6 “
“ Jan. 16, 1695, to May 19, “ on foreign bills.....	6 “
“ “ “ (to customers of the bank) do.....	3 “
“ “ “ to July 26, 1716, on inland bills.....	4½ “
“ May 19, “ to Feb. 28, 1704, on foreign bills.....	4 “
“ “ “ on foreign bills, not payable at the bank.....	5 “
“ Feb. 28, 1704, to June 22, 1710, on foreign bills.....	5 “
“ June 22, 1710, to July 26, 1716, on foreign and inland bills....	4 “
“ July 26, 1716, to April 30, 1719, on bills and notes.....	5 “
“ April 30, 1719, to Oct. 27, 1720, on bills.....	5 “
“ Oct. 27, 1720, to Aug. 23, 1722, on bills.....	4 “
“ Aug. 23, 1722, to Oct. 18, 1742, on inland bills.....	6 “
“ “ “ “ on foreign bills.....	4 “
“ Oct. 18, 1742, to Dec. 12, 1744, on foreign bills.....	5 “
“ Dec. 12, 1744, to May 1, 1746, on foreign bills (15 d. to run)....	4 “
“ “ “ “ on inland bills.....	5 “
“ May 1, 1746, to April 5, 1773, on foreign bills.....	5 “
“ “ “ to June 20, 1822, on bills and notes, 25 d. to run....	4 “
“ June 20, 1822, to Dec. 13, 1825, on “.....	5 “
“ Dec. 13, 1825, to July 5, 1827, on “.....	5 “
“ July 5, 1827, to July 21, 1836, on “.....	4 “
“ July 21, 1836, to Sept. 1, “ on “.....	4½ “
“ Sept. 1, “ to July 15, 1838, on “.....	5 “
“ Feb. 13, 1838, to May 16, 1839, on “.....	4 “
“ May 16, 1839, to June 20, “ on “.....	5 “
“ June 20, “ to Aug. 1, “ on “.....	5½ “
“ Aug. 1, “ to Jan. 23, 1840, on “.....	6 “
“ Jan. 23, 1840, to Oct. 15, “ on 65 day bills.....	5 “
“ Oct. 15, “ to June 8, 1841, on 95 day bills.....	5 “
“ June 8, 1841, to April 7, 1842, on “.....	5 “
“ April 7, 1842, to Sept. 5, 1844, on “.....	4 “
“ Sept. 5, 1844, to Mar. 13, 1845, on bills.....	2½ “
“ “ “ to Mar. 13, 1846, on notes.....	3 “

From Mar. 13, 1845, to Oct. 16, 1845, minimum rate.....	2½	per cent.
" Oct. 16, " to Nov. 6, "	3	"
" Nov. 6, " to Aug. 17, 1846, "	3½	"
" Aug. 17, 1846, to Jan. 14, 1847, "	3	"
" Jan. 14, 1847, to Jan. 21, "	3½	"
" Jan. 21, " to April 8, "	4	"
" April 8, " to Aug. 5, "	5	"
" Aug. 5, " to Sept. 23, "	5½	"
" Sept. 23, " to Oct. 25, "	6	"
" Oct. 25, " to Nov. 22, "	8	"
" Nov. 22, " to Dec. 2, "	7	"
" Dec. 2, " to Dec. 23, "	6	"
" Dec. 23, " to Jan. 27, 1848, "	5	"
" Jan. 27, 1848, to June 16, "	4	"
" June 16, " to Nov. 2, "	3½	"
" Nov. 2, " to Nov. 22, 1849, "	3	"
" Nov. 22, 1849, to Dec. 26, 1850, "	2½	"
" Dec. 26, 1850, to Jan. 1, 1852, "	3	"
" Jan. 1, 1852, to Apr. 22, "	2½	"
" April 22, " to Jan. 6, 1853, "	2	"
" Jan. 6, 1853, to Jan. 20, "	2½	"
" Jan. 20, " to June 2, "	3	"
" June 2, " to Sept. 1, "	3½	"
" Sept. 1, " to Sept. 16, "	4	"
" Sept. 16, " to Sept. 29, "	4½	"
" Sept. 29, " to May 11, 1854, "	5	"
" May 11, 1854, to Aug. 3, 1855, "	5½	"
" Aug. 3, " to April 5, "	5	"
" April 5, 1855, to May 3, "	5½	"
" May 3, " to June 14, "	4	"
" June 14, " to Sept. 6, "	3½	"
" Sept. 6, " to Sept. 13, "	4	"
" Sept. 13, " to Sept. 27, "	4½	"
" Sept. 27, " to Oct. 4, "	5	"
" Oct. 4, " to Oct. 18, "	5½	"
" Oct. 18, "	6	"
" " "	6	"
" " "	7	"
" May 22, 1856, to May 29, 1856, minimum rate.....	6	"
" May 29, " to June 26, "	5	"
" June 26, " to Oct. 1, "	4½	"
" Oct. 1, " to Oct. 6, "	5	"
" Oct. 6, " to Nov. 13, "	6 & 7 p' ct.	
" Nov. 13, " to Dec. 4, "	7 per cent.	
" Dec. 4, " to Dec. 18, "	6½	"
" Dec. 18, " to April 2, 1857, "	6	"
" April 2, 1857, to June 18, "	6½	"
" June 18, " to July 16, "	6	"
" July 16, " to Oct. 8, "	5½	"
" Oct. 8, " to Oct. 12, "	6	"
" Oct. 12, " to Oct. 19, "	7	"
" Oct. 19, " to Nov. 5, "	9	"
" Nov. 5, "	10	"

The Bank of England does not allow, either at the head office in London, or at her branches, any interest on deposits; and in doing so she acts wisely. Notwithstanding the nonpayment of interest, she has often very large amounts of deposits on her hands, and were she to pay interest, the probability is that they would be very greatly increased, and might, in periods of difficulty, seriously compromise her safety. At present the bank may either retain deposits or invest them in those securities from

which they may be most easily withdrawn. But if she allowed interest the case would be different, and she would be obliged to look quite as much or more to the profits to be made by investments as to the facility of repossessing herself of funds. We beg, in corroboration of what has now been stated, to draw the reader's attention to the following extract from the evidence of Mr. Weguelin, late governor of the bank, before the Committee of 1857:—

“We,” said he, “at the Bank of England, have always considered that the proper functions of a banker were to keep the spare cash of his customer, such cash as his customer required for his daily expenditure, for the sudden demands of his business, and any accidental accumulation which might happen before the customer had occasion to invest it. That is contrasted with the system pursued by the joint-stock banks. The joint-stock bank invites a large deposit by offering a certain rate of interest for the deposit; in point of fact, the joint-stock bank becomes the investor of the money, instead of the customer. The customer of a joint-stock bank does not himself invest his own money, but he employs the joint-stock bank to do it; taking the guarantee of the joint-stock bank, and taking, possibly, a lower rate of interest. Now that system if applied to the Bank of England, would be, I think, very prejudicial to the public interests. It would, in the first place, force upon the Bank of England to invest its reserves much more closely than it does now. If it had to pay interest upon its deposits, it could only do so by investing them in some securities that would pay a higher rate of interest than that which it pays. Its deposits also are of that particular character which would render it still more inexpedient that they should be closely invested. They consist, in the first place, of government deposits, which rise from a low rate at one period of a quarter up to five or six millions higher at another period of a quarter, and again collapse to a very low rate at another period. Again, the private deposits consist, to a certain extent, of the deposits of the bankers and the joint-stock banks of London. Those deposits are the amounts which those bankers require to work their own business. Consequently, they are not deposits which should be very closely invested by the Bank of England. In times when there is a great accumulation of deposits in the Bank of England, it is because the public are not able at those times to find investments to their mind to employ those deposits; and consequently, it is not at all likely that the Bank of England, if that is the case with the public generally, will be able to find investments which the public themselves have not been able to do. All these reasons combined would lead me to think that to force a system upon the Bank of England by which it should be obliged to employ its deposits very closely, much more closely than it does at present, would be not only prejudicial and unsafe as regards the Bank of England, but would be prejudicial to the public interest.”—Quest. 159.

The truth is, that the whole subject of deposits is beset with difficulties. The extent to which it has been already carried has deeply endangered the stability of the banking system, and we have seen that it is indispensable it should be subjected to regulation.

Previously to 1786, the bank received an allowance for trouble in paying the dividends, superintending the transfer of the stock, &c., of the national debt, of £562 10s. a million on its amount. In 1786 this allow-

ance was reduced to £450 a million; the bank being, at the same time, entitled to a considerable allowance for her trouble in receiving contributions on loans, lotteries, &c. This, though long regarded as a very improvident arrangement on the part of the public, was acquiesced in till 1808, when the allowance on account of management was reduced to £340 per million on £600,000,000 of the public debt, and to £300 per million on all that it exceeded that sum, exclusive of some separate allowances for annuities, &c. The impression, however, was still entertained that the allowances for management should be further reduced, and this has been effected in the interim.

Exclusive of her functions as public banker, and manager of the public debt, the Bank of England is connected with government through the circulation. We have seen that she is entitled to issue upwards of £14,000,000 upon securities, that is, on the credit of the funds she has lent to government. But for these she receives about 3 per cent. interest, and such being the case, the public is clearly entitled to a portion, if not to the whole amount of the profits realized by the bank on the issue of these £14,000,000. It is difficult to say how much this may amount to. The issue department of the bank seldom re-issues notes, but for the most part destroys them as soon as they are returned to it. This practice is said to be necessary to enable the bank to obviate fraud, by keeping a proper account of the numbers of the notes afloat. An opinion is, however, pretty generally entertained that this might be effected by a less expensive process than that which is now resorted to. And, certainly, it seems to be a very wasteful proceeding, that a quantity of newly manufactured notes issued by the bank in the forenoon, and returned to her in the afternoon, should not be re-issued, but consigned to the flames. The Scotch banks are justly censurable for keeping their notes too long afloat, but this is running with a vengeance into the opposite extreme.

But, as it is, the cost of maintaining an issue of £14,000,000 is estimated by the bank at about £113,000 a year, and taking the gross profits of the issue at 3 per cent., or £420,000, the net profits may be estimated at £307,000 a year; and of this sum the bank pays to government £180,000, viz.: £80,000 in lieu of the old charge for stamp duty, abolished in 1844, and a further sum of £120,000 for her share of the profits. And so long as the cost of the issues remains at about its present amount, we do not know that there is much to object to in the arrangement. Probably, however, were the allowance to government further increased by some £50,000 or £60,000, the bank might find means, without injury to the public, of re-issuing her notes, or of otherwise reducing the cost of their circulation. During the year ended the 31st March, 1856, the payments made to the bank for managing the national debt and annuities, amounted to £95,875.

It should be observed that the responsibility and expense incurred by the bank, in managing the public debt, are very great. The temptation to the commission of fraud, in transferring stock from one individual to another, and in the payment of the dividends is well known; and notwithstanding the skilfully-devised system of checks adopted by the bank for its prevention, she has frequently sustained very great losses by forgery and otherwise. In 1803 the bank lost, through a fraud committed by one of her principal cashiers, Mr. Aslett, no less than £340,000; and the for-

geries of Fauntleroy, the banker, cost her a still larger sum. At an average of the ten years ending with 1831, the bank lost, through forgeries on the public funds, £40,204 a year.—(*Report on Bank Charter, Appen. p. 165.*)

Besides the transactions alluded to, the bank entered, on the 20th of March, 1823, into an engagement with government with respect to the public pensions and annuities, or, as they have been more commonly termed, the *dead weight*. At the end of the war, the naval and military pensions, superannuated allowances, &c., amounted to above £5,000,000 a year. They would, of course, have been gradually lessened and ultimately extinguished by the death of the parties. But it was resolved in 1822 to attempt to spread the burden equally over the whole period of forty-five years, during which it was calculated the annuities would continue to decrease. To effect this purpose, it was supposed that, upon government offering to pay £2,800,000 a year, for forty-five years, capitalists would be found who would undertake to pay the entire annuities, according to a graduated scale previously determined upon, making the first year a payment of £4,900,000, and gradually decreasing the payments until the forty-fifth and last year, when they were to amount to only £300,000. This supposition was not, however, realized. No capitalists were found willing to enter into such distant engagements. But in 1823 the bank agreed, on condition of receiving an annuity of £585,740 for forty-four years, commencing on the 5th of April, 1823, to pay, on account of the pensions, &c., at different specified periods, between the years 1823 and 1828, both inclusive, the sum of £13,089,419.—(4 Geo. IV. c. 22.)

Formerly the business transacted at the bank was so much encumbered with forms and conditions, that the generality of merchants and ordinary people rarely thought of employing her to keep their money or make their payments. But in this respect an entire change has been effected. Checks, the minimum amount of which was formerly £10, may now be drawn of any amount, great or small; and all sorts of banking business is conducted with facility and dispatch, and, we may add, with perfect security.

The bank opens banking accounts, or, as they are called, "drawing accounts," for the safe custody, and the receipt and payment of cash, not only with merchants and traders, but with all persons who choose to keep their money at a banker's, and to draw checks against it. The bank also takes charge of their customers' bills of exchange, exchequer bills, and other securities, and does all that is needful either in the collection of bills of exchange, the exchange of exchequer bills, or the receipt of dividends, and so forth, free of any charge. Plate chests, and deed and security boxes, may be deposited, free of expense, by customers, for safe custody. The bank looks to the average balance of cash on each account, to compensate for the trouble and expense of keeping it, and in this respect the requirements of the bank are certainly not greater than those of ordinary bankers. No particular sum is required to be lodged on opening an account; it is only necessary that the party should be known as respectable, and in a condition to require a banking account. But the bank receives and holds sums of money for safe custody for parties who have no current accounts.

GOLD VERSUS SILVER.

The great change in the ratio of the productions, and consequently the stocks of gold and of silver, will undoubtedly alter the relative value of these metals. The amount of this change at the present time, and the probable future effect of the yet greater increase in the production of gold following the discovery of the Fraser River and other newly discovered mines, are questions of great and general interest. These two metals, while they are the standards of exchange, or the money of the world, must always bear a certain relation to each other; and this relation of value must be determined by the relative stock and by the degree of employment of each metal, and cannot be arbitrarily regulated by mint or government decrees. We propose to show that the ratio of the stocks of gold and silver has materially changed in late years, and also that their relative employment is not the same as before the discovery of the gold mines in California. It being very evident that the ratio of values of gold and silver is principally determined by the amounts in existence, and not by the annual production.

The ratio of the value of gold to silver was up to 1848 approximately as 16 to 1, and there has not been much variation since the establishment of the first English mint.

The stocks of gold and silver in use in 1492 are estimated by the best authorities nearly as follow:

	<i>Stock.</i>	<i>Ratio.</i>
Gold.....	\$60,000,000	30 per cent.
Silver.....	140,000,000	70 "

From this time until the year 1803 there were many changes in the yearly productions of gold and silver. Until the year 1525 but little gold or silver arrived from America. The receipts of gold were confined to small quantities obtained from the Indians, and it was not until 1545, when the great silver mine of Potosi was discovered and began to affect the stock of silver. From 1545 to 1571 the silver was obtained by the slow process of smelting. In 1567 the quicksilver mine of Huancevalica, in Peru, was discovered, and the yield of metal from the same ore increased from 1 to 3½. This was an era in the production of silver, and increased the stock of silver which by wear and export was getting below the amount necessary to keep the existing ratio between gold and silver constant. In 1803 there were in use in Europe and America the following amounts of gold and silver:

	<i>Stock.</i>	<i>Ratio.</i>
Gold.....	\$1,770,000,000	35 per cent.
Silver.....	3,190,000,000	65 "

It appears therefore that in these three hundred and eleven years the stock of each metal was changed but five per cent.

In 1848, the year of the first receipts of gold from the mines of California, the amounts of gold and silver in Europe and America were as follow:

	<i>Stock.</i>	<i>Ratio.</i>
Gold.....	\$2,800,000,000	41 per cent.
Silver.....	4,000,000,000	59 "

We see by this statement that the amount of gold compared with the total stock of gold and silver, was in 1492 30 per cent., in 1803 it was 35 per cent., and in 1848 it was 41 per cent., or an increase of the stock of gold at the rate of one per cent. in thirty-three years, and a corresponding decrease in the stock of silver.

We find after making the necessary allowances for wear, export to India, and hoarding, and by carefully collating the statistics of the productions of California and Australia, that the stocks of gold and silver in Europe and America in 1858 were:

	Stock.	Ratio.
Gold.....	\$3,679,000,000	47 per cent.
Silver.....	4,186,000,000	53 "

This shows that the stock of gold has *increased* two-thirds of one per cent. annually, and of silver has decreased the same amount since the year 1848, compared with the total amount of the two. It is evident from this, that if the productions do not change, there will be in 1862-'3, or a little over *four* years, an *equal* amount of gold and silver in Europe and America. And the probabilities are, from the recent discoveries at Frazer River, that the production of gold of the two will increase more rapidly.

The important question after a consideration of the facts is, if the annual additions to gold and silver continue in their present proportion, can we keep the values of gold and silver in their present relation, or nearly as 16 to 1, which has been approximately the ratio for centuries? Let us look at some of the various auxiliary causes affecting the prices and stocks of gold and silver, and see if they will affect the statement. In the first place gold has been adopted as the sole standard of exchange by some of the principal commercial countries—by Great Britain and the United States, and practically by France. This will of course tend to increase the use of gold, and therefore, other things being equal, increase its value compared with silver, for their present values depend almost entirely on their being used as money. On the other hand Holland, China, and India practically admit silver alone as money, so that the increased use of gold from these changes is questionable. The absorption by India and China, "the sinks for precious metals," is confined to silver. Again, it has been proven by elaborate statistics, that the loss by wear and manufacture and by hoarding is *four* times greater with silver than with gold. Therefore, taking all these facts into consideration, it would seem that the use of silver is not decreasing. But, on the other hand, we find that the annual net increase to the stock of gold is four per cent. of the total stock, while the annual net increase of silver is one and a half per cent. of the total stock.

If the present annual productions of gold and silver continue, after making all necessary allowances for wear, &c., we find that in 1892 the stocks of gold and silver will be *inversely* to what they were in 1492, four hundred years ago; or in other words in 1492 the stocks were, gold 30 per cent. and silver 70 per cent. of the total; and in 1892 gold will be 70 per cent. and silver only 30 per cent. of the total. It would therefore be idle to claim that in this event that the old ratios of value could be kept constant by any mint decrees or arbitrary government standards. And it seems inevitable that the entire coinage system of the commercial world must be changed, or one of the metals must be universally adopted as the sole standard of exchange.

The average annual production of silver for a century previous to 1848, had been about forty-five millions of dollars. It is now, after allowing for the newly discovered silver mines in Arizona and Sonora, about sixty-five millions of dollars, or an increase of twenty millions of dollars in the yearly production. The average annual production of gold for more than a century previous to 1848, had been about fifty millions of dollars. The annual production is now *two hundred millions* of dollars; or an increase in the annual production of gold of one hundred and fifty millions of dollars; and a net increase of *one hundred and thirty* millions of dollars in the annual production of gold over that of silver. If, in addition to this, we take into consideration the fact mentioned before, that silver disappears, by wear, manufacture and hoarding, *four* times as rapidly as gold, we can form some estimate of the relative changes going on in our metallic currency.

It is not enough to say that the discovery of quicksilver mines in California, and the rediscovery of silver mines in New Mexico, will increase the production of silver. This is admitted; but will they proportionally increase the production of silver compared with gold? We think not. Not while the Fraser River mines, and the discoveries of gold in Iowa, Vermont, new mines in Russia, Australia, &c., demonstrate the fact that gold is more generally distributed than silver; and while also the ratio of value is sixteen to one, and the labor of mining bears no such proportion. And the fact that silver has increased twenty per cent. in price since 1848, shows that here as elsewhere the law of price does not wait for the assent of the proper authorities.

Enough has been shown to prove the vast changes going on in the stocks of precious metals, and the necessity that exists throughout the world, of corresponding changes in the metallic currency. It is an important question, how and when will these be made?

LEGAL MISCELLANY.

PROMISSORY NOTES—ACCOMMODATION PAPER.

In the Supreme Court of Pennsylvania, February, 1858.

1. It is no defence to a suit by a holder against the maker of a promissory note, that the plaintiff is not the owner of the note, and gave no value for it, and that when he took it he knew that it was an accommodation note, and that defendant had received no value for it.—*Holmes vs. Paul.*

2. There is no difference between business paper and accommodation paper negotiated.—*Ibid.*

3. A promissory note procured by an incorporated company for its accommodation under the terms that the company would provide for its payment at maturity, may lawfully be purchased or discounted by one who is a director of the company, and a member of its Finance Committee, though he knew of these terms when he took the note.—*Ibid.*

4. Such a person (unless he was the agent of the company for the sale of the note) takes a good title to it, and another person who is not the owner of the note, but who received it without value from the owner, (viz. from the directors, &c.,) may maintain an action on it against the maker.—*Ibid.*

DELIVERY OF GOODS.

In the Circuit Court of the United States, Massachusetts District, May Term, 1857.

1. To constitute a delivery by the master, of goods brought in a vessel from a port in another State to the port of Boston, under the ordinary bill of lading, mere delivery of the goods, and landing them on the wharf, is not sufficient; there must also be reasonable notice to the consignee, allowing him time to make the usual and necessary preparations to receive the goods. And it is no delivery to unlade the goods at an unusual time. Thus, where, by the usage of a port, consignees are not in the habit of receiving goods on the day of the annual fast, a notice by the master to the consignee that he shall unload the goods on that day, will not bind the consignee to receive them; and where goods were so unladen, and not accepted or received by the consignee, and were, on the same day, destroyed by fire, on the wharf; Held, that the loss must fall upon the carrier.—*The Salmon Falls Manufacturing Company vs. Bark Tangier.*

2. Fire, occurring on the wharf, after goods are landed, is not within the exception of damages of the seas, in the ordinary bill of lading.—*Ibid.*

3. Nor is such a fire within the Act of Congress of March 3d, 1851, relieving ship-owners from liability for damage by fire to goods on board of vessels, in certain cases.—*Ibid.*

RAILROAD MORTGAGES.

In the Superior Court of Cincinnati.

1. Under the Ohio statute, regulating railroads, a chartered railroad corporation is fully authorized to execute a mortgage as security for money borrowed upon bond.—*Edwin Ludlow vs. Edward Hurd.*

2. Where the mortgage described the property as "the right of way and land occupied thereby together with," &c., enumerating every kind of property attached to, and used by a railroad, and added, "and other property then owned by, or thereafter to be acquired and owned by the said company," it was held that, in equity, furniture contained in the company's business office, if necessary for the operation of the road, was within the language of the mortgage, and that an execution levied on it must be postponed to the lien of the mortgagee.—*Ibid.*

3. Although at common law an assignment will not convey a chattel unless it is in esse at the time of the transfer, it is otherwise in equity.—*Ibid.*

4. It is settled at common law that a franchise is not subject to levy on execution, it can only be reached in Chancery.—*Ibid.*

INSURANCE AGENCY.

In the Circuit Court of the United States, for the District of Maryland, April, 1858.

1. Where an insurance company incorporated by the State of New York, having their principal office in New York, and there executing policies of insurance, which were transmitted to agents in Baltimore, who had authority to receive applications for policies, and to receive and transmit notes for the premiums, and through whom the company paid losses to parties in Baltimore, underwrote a policy, and sent it to parties residing at Baltimore, it was held that the contract of insurance was a New York and not a Maryland contract.—*John S. Wright vs. The Sun Mutual Insurance Company of New York. Same vs. The Orient Mutual Insurance Company of New York.*

2. Where the policy contained this clause, "to add an additional premium if by vessels rating lower than A 2," and the cargo was shipped in a schooner rating lower than A 2, and no fixed sum as additional premium agreed upon, held that the assured, in case of loss, could recover the value agreed in the policy, less such additional premium beyond the agreed per cent., as in the opinion of the underwriters might be deemed adequate for the increased risk of a cargo shipped in a vessel rating below A 2.—*Ibid.*

INSURANCE—MORTGAGES.

Decision of the New York Court of Appeals, June Term, 1858.

The Court of Appeals has lately given a decision in regard to the liability of insurance companies, which affects disastrously every mortgage owner in the State. The case was *Seth Grosvenor vs. The Atlantic Fire Insurance Company of Brooklyn*; on appeal from a judgment of the Superior Court of the city of New York, in favor of a claim of the amount of policies of insurance on their houses in Brooklyn. The plaintiff was the mortgagee and the policies were in his favor. The terms of the policies were that the company did insure Eugene W. McCarty against loss or damage by fire—loss, if any, payable to Seth Grosvenor, mortgagee. One of the conditions of the policy was, that "in case of any transfer or termination of the interest of the assured in the property insured or in the policy either by sale or otherwise, without the consent of the company, the policy should thenceforth be void and of no effect." Prior to the loss, McCarty parted with his interest in the premises, and the Court of Appeals have decided that as the insurer had no interest in the property, the policy of insurance was void. It is not, however, denied that the person to whom the insurance was payable, had an interest in the property to the amount of the insurance; and, therefore, according to the past law of the State,

and the general law of insurance, was entitled to the insurance. This last is undoubtedly the equity of the case, and as a contract of insurance is one of equity, we regard the present decision of the Court of Appeals as destroying the rights of insurers. The only remedy by the present wording of a policy, is in the honor of the insurance companies. But this is not the proper ground for a business transaction; and we find that already our savings banks and life insurance companies, who are the largest holders of mortgages, are preparing forms to insert in their present and future policies to render refusal of payment under this decision of the Court of Appeals impossible; and their general intention is to refuse to insure in any company that will not accede to these terms. It is however to be decided yet whether a clause in an insurance contract is sufficient, and a better remedy would be a legislative enactment reversing this decision as being against equity.

We find that three years ago, the Mutual Life Insurance Company of this city, in anticipation of this trouble and to protect their trusts, had a controversy with the fire insurance companies of this city, and with some effort had a clause inserted to make payable to them, as mortgagees holding an assignment of a fire policy, all policies under any circumstances, when the said policies would be payable to a direct insurer having an interest. It seems that a mortgagee cannot be a direct insurer and protect the owner also; whereas the reverse can be done when the owner is the insurer, and therefore the owner should be the insurer.

The importance to assignees of fire policies to have a clause in their policies to protect them from this decision is so great, that we publish the form generally adopted, and which was first introduced by the Mutual Life Insurance Company of New York:

"In consideration of one dollar, to us in hand paid by —, the receipt of which is hereby acknowledged, and for other valuable considerations, we the — Fire Insurance Company of —, hereby covenant and agree, that all the policies of fire insurance issued by us, which are, or may be, assigned to or held by the company first aforesaid, as mortgagees, shall be binding upon us, and that the interest of the said mortgagees shall be considered absolutely insured and subject to no plea in bar of their right to recover from us such sum or sums of money as shall save them from loss under such policies in consequence of any fire which may happen, except such loss as may take place by means of any invasion, insurrection, riot, or civil commotion, or of any military or usurped power.

"And it is further understood by said fire insurance company, that as soon as any change of occupation rendering any risk more hazardous becomes known, either to the said mortgagees or to us, privilege for the same shall be noted on the proper policy, and said fire insurance company shall be paid by the said mortgagees the additional premium for the entire term of use of said risk during the current year of such increased hazard.

"It is also understood and agreed, that in case of loss, and claim therefor, on the part of the mortgagees, when, under the circumstances of the case, the policy may be deemed invalid as to the interest of the mortgagor, they shall, on due notice, and on full payment and satisfaction of their claim, assign to us, the said fire insurance company, the bond and mortgage, and all other securities held by them on the property in question; it being understood that the only object of this agreement is to protect the mortgagees from loss.

"In witness whereof, the undersigned duly authorized officers of the said _____ fire insurance company of _____, have executed this agreement.

_____, President.

_____, Secretary.

" New York, dated this _____ day of _____, 185-."

Without such a contract, a fire insurance policy to secure a mortgage is waste paper, and as there are several hundreds of millions of dollars thus secured, we do not give the matter undue importance in publishing the decision entire. The opinion of the court was delivered by Judge Harris, and is as follows :

The contract of insurance is a contract of indemnity. To sustain an action upon such a contract, it must appear that the party insured has sustained a loss. This involves the necessity of an insurable interest at the time of the alleged loss ; without such interest the party insured cannot be indemnified.

In this case the contract was between the defendants and McCarty. The agreement was to insure " Eugene W. McCarty against loss of damage by fire to the amount of \$7,000, on his three story brick dwelling-house." But after the contract was made, and before the alleged loss, McCarty had sold and conveyed the property insured. At the time of the fire, he had no insurable interest ; of course he has no claim for indemnity. No action, therefore, could be maintained upon the policy of McCarty.

But at the time the insurance was effected, the plaintiff in this action, Grosvenor, was the holder of a mortgage upon the premises insured. As such mortgagee he, too, had an insurable interest. The extent of that interest was the amount of his debt. To that extent he might have contracted with the defendants to indemnify him against loss by fire. The payment of his debt would as completely terminate the contract to insure, as would the alienation of the property when the contract is made with the owners.

The important inquiry in this case is, to which of these classes does the contract in question belong ? The action is brought by the plaintiff as a mortgagee ; the contract was made with McCarty, the mortgagor. But the policy provides that, in case of loss, such loss should be payable to the plaintiff. What is the legal effect of this provision ? Without it, the plaintiff could have had no claim against the defendants for indemnity. Is this provision to be regarded as an appointment of the plaintiff to receive any money which might become due from the insurers, by reason of any loss sustained by the mortgagor—or has it the effect to render the policy, which would otherwise be a contract to indemnify the mortgagor against loss, a contract to indemnify the mortgagee ? A determination of this question will also determine the rights of the parties to the action.

Were it not for one or two decisions in this State bearing upon the question, I should have little difficulty in pronouncing in favor of the former of these propositions. It seems to me to be very clear that it was the intention of all the parties that the interest of the mortgagor, and not that of the mortgagee, should be insured. It is stated in the policy that the property insured is the property of McCarty, and that he is the person insured. McCarty paid the premium ; he made the contract. His interest as owner, and not that of the plaintiff as mortgagee, was the subject of

the insurance. The plaintiff was merely the appointee of the party insured to receive the money which might become due from the insurers upon the contract. The provision in the policy in this respect had no more effect upon the contract itself than it would if it had been provided that the loss for which the insurers should become liable should be deposited in a specified bank to the credit of the party insured.

Suppose that the plaintiff, although described in the policy as a mortgagee, had in fact held no mortgage, could it be pretended that the defendants might have avoided the policy on the ground that the plaintiff had no insurable interest? Or, suppose, again, that after the contract had been made, the mortgage had been paid, could it be claimed that the contract to insure had also ceased? I presume none will deny that, in either case, the contract would have continued in force for the benefit of the owner of the property insured. If so, it must have been because the interest of the mortgagor, and not that of the mortgagee, was the thing insured. I agree with the Court below, that "there is nothing in the language of the policy on which the Court can adjudge that, in legal effect, it is a contract insuring the interest of the mortgagee, as such, except in the provision which declares that the loss, if any, which occurs under the contract insuring the mortgagor's interest, shall be payable to the mortgagee. That provision merely designates a person to whom such loss is to be paid, and shows that he is a person who may have an interest in its being so paid."

The undertaking to pay the plaintiff was an undertaking collateral to and dependent upon the principal undertaking to insure the mortgagor. The effect of it was, that the defendants argued that whenever any money should become due to the mortgagor upon the contract of insurance, they would, instead of paying it to the mortgagee himself, pay it to the plaintiff. The mortgagee must sustain a loss for which the insurers were liable before the party appointed to receive the money would have a right to claim it. It is the damage sustained by the party insured, and not by the party appointed to receive payment, that is recoverable from the insurers. See *Macomber agt. The Cambridge Mutual Fire Insurance Co.*, 8 Cushing 133. The insurance being upon the interest of the mortgagor, and he having parted with that interest before the fire, no loss was sustained by him, and, of course, none was recoverable by his assignee or appointee. The right of such a party being wholly derivative, cannot exceed the right of the party under whom he claims. See also *Carpenter agt. The Providence Washington Insurance Company*, 16 Peters 405. *Foster agt. The Equitable Fire Insurance Company*, 2 Groug 216.

I agree with the learned judges who delivered opinions upon the decision of this case in the court below, that there is no just ground for discrimination between this case and that of an assignment of the policy to a mortgagee, to be held by him as collateral security for his debt, with the consent of the insurer. In either case the insurance is upon the interest of the mortgagee. The terms and conditions upon which indemnity may be claimed are agreed upon, and then the original parties further agree that when, by the terms and conditions of the interest, the insurers shall become liable by reason of a loss sustained by the party insured, the money shall be paid, not to the party who sustained the loss, but to his appointee or assignee for his benefit. Such an appointment or assignment ought not to be construed so as to vary, in any respect, the liabilities of the insurers upon

their original contract. It is certainly true, as was said by Mr. Justice Woodruff, that "when applied to other agreements for the payment of money, an assignment does no more than direct to whom it shall be paid when it shall become due."

The case of the Traders' Insurance Company *agt. Robert*, 9 Wend. 404, was, in my judgment, erroneously decided, and unless by subsequent recognition or acquiescence, it has become so securely embedded in the law of this State that it may not be disturbed, it ought not to be followed. It was a condition of the policy in that case that it should cease, if the assured should effect a further insurance upon the property and should omit to give notice of such further insurance within a reasonable time. The policy in question was assigned to a mortgagee with the consent of the insurers. After this assignment the party insured effected a further insurance with another company and neglected to give the requisite notice. It was held, that the action being brought by the assignee of the policy, though in the name of his assignor, no act of the latter, after the assignment, could be allowed to prejudice the rights of the former. The argument by which this result was reached, seems to me to have been singularly illogical and inconclusive. Indeed, it depends entirely upon the misapplication of a very familiar principle. "Had the nominal plaintiff executed a release to the Insurance Company," say the Court, "it would have no effect upon the rights of the assignee, and if he could not directly discharge the right of action which he had assigned, surely he cannot do it indirectly. The fact, therefore, of his having effected a subsequent insurance upon the same premises, can have no influence upon the rights of the real plaintiff in this suit." It is quite obvious, I think, that the learned Judge who delivered the opinion, entirely failed to discriminate between acts done for the purpose of discharging the liability of the insurers upon their contract, and acts which, by the terms of the contract, were necessary in order to continue such liability. All will agree in the soundness of the premises upon which the argument is founded. It is true that the assignor of a right in action cannot indirectly, any more than he can directly, do any thing which will discharge the liability of the contracting party to his assignee. But it is equally true, that when such liability is by the terms of the contract made to depend upon the performance of an act by the assignor, an assignment of the contract will not operate to dispense with the performance of the act as a condition of liability. It had been stipulated between the contracting parties, that if the assured should effect a further insurance, and should omit to give notice to the insurers of such further insurance, the whole contract should be at an end. This was the condition upon which the insurers were to continue liable. It was no less a condition after the assignment, than before. The assignee took the contract with knowledge that it might be avoided by a failure to perform this condition. The inference of the court, therefore, that, because the assignor of a right in action cannot directly or indirectly release such right of action to the prejudice of his assignee, the fact that subsequent to the assignment of the policy, the assignee effected a further assurance without giving notice as required by the policy, would have no influence upon the rights of the assignee, is not justified.

Again, it is said by the Court, in *The Traders' Insurance Company agt. Robert*, that "after the assignment of the policy to Bolton, the mortgagee,

Robert, in whose name it was originally taken, had no interest in it, and that the rights of the parties were the same as if the policy had been given to Bolton." This, too, is an obvious error. Robert was as much interested in the policy after he had assigned it to his creditor, as before. The money for which the insurers might become liable was to be applied to his use. The only effect of the assignment was to make a specific appropriation of the money beforehand to the payment of a specific debt. The insurance was for the benefit of the owner of the property by whom it was obtained, but it was convenient for him, as in the case now in hand, to appoint the particular creditor who should receive the money in case of a loss. The real interest of the party insured remained unchanged.

From the judgment of the Supreme Court in the Traders' Insurance Company *agt. Robert*, there was no appeal. The decision was suffered to become the law of the case. There stood upon the records of the court an absolute, unimpeachable and irrecoverable judgment in favor of Robert against the Insurance Company. The legal title to the judgment was in Robert. A contingent, equitable interest was vested in Bolton, the assignee of the policy. That interest was extinguished by the payment of the debt, to secure which it had been assigned. Thus the entire equitable as well as legal right to the judgment became invested in Robert, the plaintiff. Under these circumstances, the Supreme Court, as though aware of the injustice which its decision was likely to work out, made an order, upon motion of the defendants in the judgment, staying all further proceedings thereon, thus, practically, reversing their own judgment in the case. This order was reversed by the Court for the Correction of Errors—and, in my judgment—very properly. The decision was put upon the ground that, as a valid judgment had been obtained upon the policy, the payment by Robert of the debt to Bolton, for the security of which the policy had been assigned, "had no other effect than to bring back to him that interest in the policy which he had assigned, and, of course, the interest also in the judgment which had been obtained upon the policy." See *Robert agt. The Traders' Insurance Company*, 17 Wend., 631.

Were the question left here, I should have little hesitation in saying that the judgment of this court ought not to be controlled by the decision in *The Traders' Insurance Company agt. Robert*. But the same question was before this court in *Tillou agt. The Kingston Mutual Insurance Company—Seld.*, 405—and was disposed of in a similar way. In that case, the insurance had been effected by three partners, and the policy had been assigned to a mortgagee of the premises to secure his debt. Afterwards, one of the partners sold out and released to his co-partners his interest in the property insured. A loss having occurred, an action was brought upon the policy in the name of all three of the partners. The action was defended on the ground that the policy had been rendered void by the alienation. The Supreme Court held, that the transfer of the interest of one partner to his co-partners was not such an alienation of the property as would avoid the policy. Judgment was accordingly rendered against the company for the full amount of the loss. The case being brought into this court, upon appeal, it was held, here, upon the authority of *Murdoch agt. The Chenango County Mutual Insurance Company*, 2 Comstock, 210, that the plaintiffs could not recover for their own benefit, on the ground that one of the plaintiffs had no interest in the action.

The question now before the court was decided entirely upon the authority of *Robert agt. The Traders' Insurance Company*, and I think I may be allowed to add, without much consideration. The learned judge who pronounced the opinion of the court, though he had been the successful counsel in the case of *Robert agt. The Traders' Insurance Company*, evidently misapprehended the value of that case as an authority. For, he says, after stating the point described by the Supreme Court, that "the case afterwards came in a different form, before the Court for the Correction of Errors, and that court recognized, approved, and substantially affirmed the judgment." In this, I think, he was mistaken. I have already noticed the circumstances under which the case came before the Court of Errors, and shown that the question now under consideration, had already passed beyond the reach of that court. Had it not been so, the report of the case furnished strong ground for the belief that the result would have been different.

The learned judge, further to sustain the authority of *Robert agt. The Traders' Insurance Company*, and to show that the question ought to be regarded as closed against further consideration, proceeded to say, that the case had already been twice noticed by this court, and each time with approbation. In support of this statement, he refers to *Connor agt. The Mutual Insurance Company of Albany*, (Coms. 203, and *Murdoch agt. The Chenango County Mutual Insurance Company*, above cited.) In the former of these cases, Judge S. A. Johnson, in delivering the opinion of the court, says: "We are not called upon to decide whether the absolute alienation by Conover after the assignment of the policy, is a good defence. The point was not raised on the trial. But, if we were, I do not see how the assignee could be affected by it." He then cites *The Traders' Insurance Company agt. Robert*, 9 Wend., 404. Such a notice of an authority, it seems to me, can add but little to its judicial efficacy. In the other case, the approbation is still more faint. Indeed, I construe it into positive disapprobation; Judge Cady, who alone alluded to this authority, says: "it may well be doubted whether the court in that case did not go too far in order to protect the assignee."

Thus the question stands upon authority. *Tillou agt. The Kingston Mutual Insurance Company*, contains the only adjudication upon the point in this court. Of that case, it is not too much to say, that it was decided without much examination, the court relying chiefly upon the authority of *Robert agt. The Traders' Insurance Company*. The value of that case, as a precedent, was, as I have attempted to show, entirely overestimated. Believing as I do that it was decided upon mistaken views of the law applicable to the question involved, and that the decision of the Supreme Court never had the sanction of the Court for the Correction of Errors, and that the case in this court was determined upon a misapprehension of what had before been adjudicated, I regard the question as yet open for the consideration of this court.

Upon the merits of the question I have already sufficiently expressed the convictions of my own judgment. The defendants contracted with McCarty, and not the plaintiff. They agreed upon the performance of certain conditions, to pay for him to the plaintiff certain money. Some of these conditions were positive in their character; others negative. Certain things were to be done by the assured, and other things were not to be

done. If all these conditions were performed, then, if a loss occurred, the defendants agreed to indemnify him against that loss to the extent specified in the policy, and he appointed the plaintiff, his creditor, to receive from the defendants the amount for which they were contingently liable. The terms of the contract have never been waived, relaxed or modified. The defendants have shown an express violation of one or more of the conditions upon which their liability was to depend. And yet, it has been adjudged, although it is evident that it has been done with reluctance, and against the better judgment of the court making the decision, that the proof of these violations constituted no defence to the action. The judgment should be reversed and a new trial granted, with costs to abide the event.

THE NORTH AMERICAN TRUST COMPANY.

DECISION ON THE SECOND HALF MILLION TRUST.

New York Court of Appeals, June Term, 1858.

David Leavitt, Receiver of the North American Trust and Banking Company, *against* John L. Graham, Richard M. Blatchford, Lewis Curtis and others.—Johnson, J. The general questions in this case are so fully discussed in the opinion delivered in the case of the Million and First Half Million Trusts, (Curtis *agt.* Leavitt, 15 N. Y. R., 9,) as to render it unnecessary again to examine them.

The objection raised against the trust deed founded upon the eighth and ninth sections of the title of the Revised Statutes, relating to moneyed corporations, ought not to be sustained. The argument contained in the opinions of Judges Comstock and Paige, in the case cited, to show that the title in question does not apply to the banking associations created under the act of 1838, is, to my mind, conclusive. It is true that part of the opinion in Gillet *agt.* Moody, (3 Comst. 479,) and one of the resolutions in Talmage *agt.* Pell, (3 Seld. 328,) as also the decision in Gillet *agt.* Phillips, (3 Kern, 114,) affirm the applicability of that title to these associations; but in the two first named cases, the decision of the question was not necessary to the decision of the causes; and in the last, which was a case submitted without oral argument, the applicability of the statute seems to have been assumed without discussion either in printed points of the counsel or in the opinion delivered. The fact that these associations seem verbally to fall within the definition of moneyed corporations upon the bare reading of the title, while the complete incongruity between the moneyed system of the revised statutes and the full banking system needs to be brought out by a careful consideration of each system in order to be seen and felt, will make it easy to see how the point may have escaped that close attention which it deserved. Under such circumstances, I do not think this court bound to persist in that which it sees clearly to be erroneous. Where a rule of property is erroneously settled, courts will rarely, if ever, depart from the decision, because such a doctrine will disturb rights acquired under the sanction of the rule; nor will they determine that to be criminal which has been decided, though erroneously, to be innocent. The

reason of these rules has obviously no application when the decision sought to be corrected is one which disappoints the expectation of the parties to an act, and renders void their contracts. There can have been no dealing between parties on the faith of any such rule. To alter such a decision does not disturb property nor interfere with any vested rights which the law is to regard. On the contrary, that course gives effect to the intentions of parties, and removes an obstacle which ought not to have been interposed in their way. A decision of the character of that in question stands, therefore, upon the general doctrine of *stare decisis*, unstrengthened by any peculiar considerations founded on the nature of the decision or the unjust consequences which might follow from its alteration. That maxim, although entitled to great weight, does not furnish an absolute rule which can never be departed from. That it does not, the number of overruled decisions, which have accumulated in the administration of the common law, abundantly proves. To depart from a decision is undoubtedly an act by which a court incurs a high degree of responsibility, and it should certainly be satisfied that its course is such that the future judgment of the enlightened profession of the law will approve its determination. But when it is satisfied that an erroneous determination has been made, and that, too, without a full consideration of the merits of the question decided—when it sees that to correct it will render void no one's honest acts, nor disappoint any just expectations—when, in short, it is fully persuaded that there is no one reason why such a decision should again be made, except that it was once made before—then I think a court would be sacrificing substance to shadow if it refused to correct its error. Nor do I believe that by so doing, a court will disturb the public confidence in the stability of its judgments. Courts are not inclined, any more than men out of courts, to admit that they have erred; and when the administration of justice is public, and must proceed upon reasons assigned for every judgment, there is little danger from the exercise, under the responsibilities which necessarily attend its exercise, of the power which a court possesses to retrace its steps when it is satisfied that an error has occurred.

In the next place, the trust deed was not void under the general provisions of the Revised Statutes as to fraudulent conveyances. The internal structure of the deed is precisely like that involved in the other cases, and therefore our decision, that the Million Trust Deed was not void upon its face as fraudulent, as against creditors, must control our determination upon the face of this deed upon that question, as well as upon the question of fact, whether it was made with intent to hinder, delay or defraud creditors. I refer to the full discussion in the opinion of Judge Comstock in the former case. I am satisfied upon the evidence that this deed was made and executed as a part of the general plan of the company to extricate itself from its embarrassments, in which unfortunately, both for its creditors and stockholders, it was unsuccessful. But I cannot doubt that such was its purpose entertained in entire good faith. It contemplated going on with its business, not winding up its concerns and preferring favored creditors, and this deed as well as the others was made for that end. The postponement of its debts to the Philadelphia Bank was just as important to secure the end in view, and just as effectual, as would have been the actual receipt of the money, and its application in payment of the postponed debt. The company was perhaps hoping against hope in regard to its

affairs; but I may be allowed to say, that if so great a change had occurred in the value of its property, as has taken place since the first argument of this cause in October, 1857, in the value of almost every similar species of property of which at that time there was no greater apparent likelihood than existed when this company was considering its prospects of successful escape from its embarrassments, I consider it far from clear that it would not, at least for the time, and in respect to operations then on foot, have retrieved its affairs.

The next question to be considered is, whether these instruments called bonds were within the 4th section of the act of 1840, (Laws, p. 306.) That section prohibits any banking association to "issue or put in circulation any bill or note of said association, unless the same shall be made payable on demand, and without interest." It does not prohibit an association from entering into all kinds of engagements for paying money unless on demand and without interest, but only the specified kinds, bills or notes. In *Leavitt agt. Palmer*, (3 Cow. 19,) promissory notes were adjudged to be within this prohibition. The instruments called bonds were undoubtedly intended by the parties to be sealed instruments; and if they are to be regarded as English or Pennsylvania contracts, and governed by the law of those States, they are sealed instruments. But tested by the laws of New York, and regarded as unsealed, they are not promissory notes, nor bank notes, but special engagements to pay money, or to give stock at a certain rate in lieu thereof before they become payable, in case the holder should elect. (2 Strange, 1,221; *Martin agt. Chantry*, Buller N. P., 222.) They are something more than an engagement to pay money, and by the terms of the contract they may not be payable at all. It is insisted that the coupons for interest attached are bills of exchange. The words of these papers are those of a bill of exchange; but they, in the hands of the party who has the bond, are but a part of that agreement, and take their character from that of the instrument to which they are accessory. Could he present them to the Palmers for acceptance, and at once maintain an action against the banking company as drawers upon a non-acceptance? The answer to such an action would be plain, that from the whole instruments they appeared not to be bills of exchange, but warrants for the semi-annual payments of interest on the principal obligations. These instruments, therefore, do not fall within the prohibition of the section in question. They are neither in law nor in fact notes or bills.

That the disposition made of these instruments was such as binds the corporation is apparent from the evidence. They were used for the purposes of the association, and with the consent of the proper officers; and although not in precise accordance with the terms of the deed itself, yet for the same substantial purpose of enabling the company to escape from its embarrassments. A more serious question might exist if the 8th section of the act in regard to moneyed corporations applied.

Upon the whole case I think that no effectual distinction exists to give it a different direction from the case of *Curtis agt. Leavitt*, and that the judgment appealed from should be affirmed.

HARRIS, J.—The chief difference between the transactions now in question and those involved in *Curtis agt. Leavitt*, (15 N. Y. 9,) consists in the fact, that while the obligations secured by the trust deeds in the latter case were issued for the purpose of raising money for the use of the company,

the obligations secured by the trust deed in this case were issued as a substitute for, and a payment of, certain certificates of deposit held by the Philadelphia banks against the company. The form of the instruments in each is identical.

In *Curtis agt. Leavitt* it was insisted by the counsel for the receiver, as it is here, that the trust deeds and the assignments of the bonds and mortgages to the trustees were void, for the reason that the transaction was not authorized by a previous resolution of the board of directors, as required by the 8th section of the article of the Revised Statutes relating to moneyed corporations. But it was held in that case that, though it be assumed that the transaction had not been authorized by a previous resolution of the Board of Directors, and though the article of the Revised Statutes relating to the insolvency of moneyed corporations was applicable to a corporation organized under the general banking law of 1838, yet, as the holders of the obligations secured by the trust conveyances were to be regarded as purchasers for a valuable consideration and without notice, they were entitled to protection under the last clause of the eighth section.

It was also insisted, in *Curtis agt. Leavitt*, as it is in this case, that the trust conveyances were void, because made in violation of the ninth section of the article of the Revised Statutes, before noticed, which prohibits conveyances by a corporation, when insolvent, or in contemplation of insolvency, with intent to give a preference to any particular creditor over other creditors. But it was held that, whether the section relied upon was applicable to this company or not, the trust conveyances in question were not made with intent to give any preference among creditors, and therefore were not void upon that ground.

Thus the question whether the provisions of the Revised Statutes relating to the insolvency of moneyed corporations are applicable to associations formed under the act of 1838 was, in *Curtis agt. Leavitt*, left undecided, and as the trust deed now in question was made to secure obligations issued in payment of pre-existing debts, and at a period when the affairs of the company were becoming more desperate, these provisions are again invoked, and the court is asked to pronounce against the validity of the transaction, on the ground that they have been violated.

It will be convenient, therefore, before noticing any other questions which the case may involve, to determine whether banking associations organized under the general banking law of this State are subject to the provisions of the Revised Statutes relating to moneyed corporations.

Regarding this merely as a question of statutory interpretation, unaffected by any thing that has been said or decided by the courts of this State, I should not hesitate to maintain the negative of this proposition. The legislature which enacted the general banking law, undertook to initiate an entire new system of banking. Under that system, banks were to be organized and conducted upon a theory entirely distinct and different from that which had hitherto prevailed. It was evidently intended that the act itself should contain, within itself, all the provisions necessary to carry this new scheme into effect. There is nothing in the act which justifies the inference that the legislature intended in any way to connect it with the banking system then in existence, or any provisions relating thereto. The radical difference between the two systems has been presented with admirable clearness and force by Judge Comstock, in *Curtis agt.*

Leavitt, (1 N. Y., sections 8 to 81.) That the legislature did not intend thus to apply any of the provisions of the revised statutes in relation to moneyed corporations, has, I think, been demonstrated, not only by Comstock, J., but in the very able opinion delivered by Judge Paige in the same case. (See pages 182 to 188.) Although it is conceded that, by the act of 1838, attributes were annexed to the associations authorized by that act which gave them the characteristics of corporations, yet it has never been asserted, I think, that such was the legislative intent. On the contrary, the act itself bears, upon its face, the clearest evidence that the legislature, in framing the act, studiously avoided this effect. Hitherto, the business of banking had been confined to chartered monopolies. Now, it was intended that all, individuals and voluntary associations of individuals, might alike, and upon equal terms, exercise this privilege. That these voluntary associations could be regarded as corporations the legislature of 1838 never so much as dreamed. This discovery was left to be made by the courts. Of course, if they were not moneyed corporations, no provisions of law relating to such corporations would be applicable to these associations.

Nor were the courts at all prompt to find that the legislature, contrary to their own purpose, had really provided for the creation of innumerable banking incorporations. The subject first came before the Court of Errors in 1840, in the case of *Warner agt. Beers*, (23 Wend., 103.) It was elaborately discussed, and a great diversity of views were expressed by the distinguished members of the court who took part in the decision. That court, by a vote of 22 to 3, declared that associations organized under the act of 1838, were not bodies corporate or politic, within the spirit and meaning of the constitution. Of course there was, as yet, no ground for applying to these associations the provisions of law relating to moneyed corporations.

The opinion of the same court was again invoked in the case of *The Supervisors of Niagara agt. The People*, (7 Hill, 504,) in 1844. The circumstances under which that case came before the court were peculiar. The assessors of the town of Lockport had placed upon the assessment roll, for taxation, two banking associations formed under the act of 1838. The Board of Supervisors, upon the application of these banks, had stricken their names from the roll. Two taxable inhabitants of Lockport applied to the Supreme Court for a mandamus to compel the supervisors to restore those names. The application was granted. From this decision, singularly enough, the supervisors appealed. Senator Porter delivered the only opinion in the Court of Errors in favor of sustaining the decision, but it was affirmed by the close vote of eleven to eight, thus holding that banking associations were to be so far regarded as moneyed or stock corporations, as to be taxable under the provisions of the Revised Statutes on that subject.

N. Hill, S. Beardsley and G. C. Bronson, for receiver; Wm. Curtis Noyes, B. F. Butler and S. A. Foot, for defendants.

THE CREDIT OF CITIES.

From the New York Courier and Enquirer.

The Common Council of the City of Albany terminated its official year very recently, and made commencement of another. The scene in both cases was of phases familiar in municipal annals. Somewhat of haste at the last, and much of good promise in the beginning. Some cunning men successful in schemes, and some good men a little damaged by their possession of the dangerous honor of the Aldermanship. These are of all cities' experience, and are illustrated by all, from London to the least gathering of population that clothes itself in the expensive robes of City Charter. Such governments are ever reforming, but they never quite attain that result. The Reform party is generally but an irregular regiment, just as predatory and not as well disciplined as the old line.

But there was one action taken by our oldest town's retiring Councils that honors them—that honors them by demonstrating that the Town is true to its old character, when Honesty went ahead of Enterprise. A resolution was adopted expressing regret at the unwise course taken in lending the credit of the city to the Northern Railroad, but, declaring distinctly and earnestly, that the Bonds having been given should now, and would, be protected—adopted as a part of the debt of the city, and the interest and principal met. This was an act, the record of which will efface all other record of that Common Council, whatever may have been the history of the year, chequered as it probably was with the good and ill of official power, unrecompensed and briefly held.

Rightly heard, the Exchange in Wall street never heard news so gloomy as on that day when it was announced that the interest on the Bonds of the City of Albany had not been met. The alarm ought then to have reached the heart of credit. The default was but temporary. The idea, that an old, rich, established city like Albany had ever neglected its duty, ought to have been regarded as indicating that the evil day *had* come. But it seemed to make little impression, and Albany recovered almost before it was realized that it had fallen. It rose, to fall no more. Other obligations may be forced upon it, but of new ones, it will not, voluntarily, take upon itself any. It has its severe lesson, and has learned it.

What the resolution utters is just that language which every city in this Republic should adopt. The past *was* wrong. The duty of the future shall be to meet the consequence of that past, and to leave a clean way for the future. It ought to be a solemn rule of chartered existence that it should create no new debt, and that it should provide for that incurred. No new debt, unless for such an object as that which now forms the chief debt of all the best regulated cities—the turning into the servant of the wants of every hour the river, or lake, or stream, that until then lavished its delicious gifts on the fields or held its daily cup to the thirst of the sun. If repudiation was municipal leprosy, so that none would enter gates to find a home there, or to carry thence merchandise, it would be a rule of right, and caution and good faith would be the panacea.

And while this is a true view of the credit of cities, it is also true that the debt, even the railway debt, has been in most cases rightly incurred. If we were now in the commencement of railway system, it is the towns and cities by whom their construction should be secured.

Who ought to have built the Erie Railroad? That patient, suffering, wearied, watching, enterprising and generous class of stockholders and bondholders, whose means have been used in placing upon the earth that great line of iron way, over river, ravine and rock-bed, bringing the City of New York at the door of a great section of the State, to which it had been removed by distances impracticable for most purposes of trade? Ought these to have been the framers of this avenue, whose results have been so intensely valuable—to the country and city? No, it ought to have been just that City and County. *They* are enriched, not a county on the line, but its real and personal estate is vastly augmented, (whatever may be the fictions or falsehood of the Assessors,) and to the city every mile of railway is built, to build up New York. It is the very law of gravity in trade that all goes to the city. It was the right that the Erie rail should have been built by the territory benefited, and this is the right rule everywhere. All this talk about "corporations" and "monopolies" would have been hushed then. The dictionary of the demagogue would have been a blank one. We began wrong, and the error has gone so far—too far to recover. It remains now only for City and County to gather up, each for themselves, the tangled thread already woven, and while they regret—sustain.

What is true of the Erie Road, is of most of the others. In the West there has not been a mile of road built but it has placed its iron shoulder under farm and field and city, and raised them far above their position in ordinary progress. In this successful effort, the heart of the stockholder has broken, but the farm is worth more, and the field has greater value, and the city is richer and more prosperous. Who, in these days, goes anywhere except he may take the hot hand of steam as his guide? The railway stockholder, like Columbus, has discovered the land, and, like Columbus, is first fêted, and then—imprisoned.

Our great public opinion should everywhere demand the preservation of municipal honor—faith to the old debt, and flight from the new.

Robbery at the United States Mint.—Between 10 and 11 o'clock, Wednesday, Aug 18, two very respectably dressed young men, of exceedingly genteel appearance visited the United States Mint, at Juniper and Chestnut streets, by permission of the superintendent. An attendant accompanied them through several departments of the institution, but while in the "Specimen Room," or cabinet, where there is a very large collection of old and new valuable coins, no one was in their company. After passing about twenty minutes at the Mint, they took their leave, and returned their thanks to the officers for the kindness afforded them in leave being granted to inspect the many objects of interest therein exhibited.

Shortly after their departure, it was discovered that one of the cases of the cabinet had been opened by means of a false key, and the following articles feloniously taken therefrom:—A square slug of gold, valued at forty dollars; two fifty dollar gold pieces; four twenty dollar gold pieces; one twenty-five dollar gold piece; and a twenty dollar California gold piece.

OF NEGOTIABLE BILLS AND NOTES.

(From "The Law of Contracts." By THEOPHILUS PARSONS, LL.D.)

By the ancient rules of law we have seen that the transfer of simple contracts was entirely forbidden. It is usually expressed by the phrase, that a chose in action is not assignable. But bills of exchange and promissory notes, made payable to order, are called negotiable paper; and they may be transferred by indorsement, and the holder can sue in his own name, and the equitable defences which might have existed between the promisor and the original promisee are cut off.

It is generally said that the law of bills and notes is exceptional; that they are choses in action, which, by the policy of the law merchant, and to satisfy the necessities of trade and business, are permitted to be assigned as other choses in action cannot be. But the law of negotiable paper may be considered as resting on other grounds. If A owes B one hundred dollars and gives him a promissory note wherein he promises to pay that sum to him, (without any words extending the promise to another,) this note is not negotiable; and if it be assigned it is so under the general rule of law, and is subject in the hands of the assignee to all equitable defences. But if A in his note promises to pay B *or his order*, then the original promise is in the alternative, and it is this which makes the note negotiable. The promise is to pay either B or some one else to whom B shall direct the payment to be made. And when B orders the payment to be made to C, then C may demand it under the original promise. He may say that the promise was made to B, but it was a promise to pay C as soon as he should come within the condition; that is, as soon as he should become the payee by order of B. And then the law merchant extends this somewhat, by saying that the original promise was in fact to pay either to B, or to C if B shall order payment made to him, or to any person to whom C shall order payment made, after B has ordered the payment made to C. For B has the right of not merely ordering payment to be made to C, but to C or his order; and C has then the same right, and by the continued exercise of this right the transfer may be made to any number of assignees successively, and the last party to whom the note is thus transferred, or the final holder, becomes the person to whom A promised B to pay the money, and such holder may sue in his own name upon this promise.

We may find the reasons of the law of negotiable bills and notes in their origin and purpose. By interchange of property, men supply each other's wants and their own at the same time. In the beginning of society this could be done only by actual barter, as it is now among the rudest savages. But very early money was invented as the representative of all property, and as therefore greatly facilitating the exchange of all property, and as measuring its convertible value. The utility of this means enlarged, as the wants of commerce, which grew with civilization, were developed. But, at length, more was needed; it became expedient to take a further step; and negotiable paper, first bills of exchange, and then

promissory notes, were introduced into mercantile use, as the representative of the representative of property—that is, as the representative of money. It was possible to make exchanges of large quantities of bulky articles, by the use of money, without much inconvenience; and it was possible for him who wished to part with what he had, to acquire in its stead by selling it for money, an article in which the value of all that he parted with was securely vested, until he had such opportunity as he might wish to place this value in other property, which he did by buying. But still coin was itself a substantial article, not easily moved to great distances in large quantities; and while it adequately represented all property, it failed to represent credit. And this new invention was made, and negotiable paper introduced, to extend this representation another degree. It does not represent property directly, but money. And as in one form it represents the money into which it is convertible at the pleasure of the holder, so in another form it represents a future payment of money, and then it represents credit. And as names in any number may be written on one instrument, that instrument represents and embodies the credit of one man or the aggregated credit of many. Thus, by this invention, vast amounts of value may change ownership at any distance, and be transmitted as easily as a single coin could be sent. And by the same invention, while property is used in commercial intercourse, the credit which springs from and is due to the possession of that property may also be used at the same time, and in the same way. And all this is possible, because negotiable paper is the adequate representative of money, and of actual credit, in the transaction of business. And it is possible, therefore, only while this paper is such representative, and no longer; and the whole system of the law of negotiable paper has for its object to make this paper in fact such representative, and to secure its prompt and available convertibility, and to provide for the safety of those who use this implement, either by making it or receiving it, in good faith.

By the practice of merchants, the transfer of negotiable paper is made by indorsements. The payee writes his name on the back of the bill or note, and delivers it to the purchaser, and is then called an indorser. The purchaser of the note may then write over this indorsement an order to pay the contents of the note to him or to his order, if the payee has not already written this. The purchaser thus becomes an indorsee. When the name only is written it is called an indorsement in blank, and the holder may transfer it by delivery, and it may thus pass through many hands, the final holder, who demands payment, writing over the name indorsed an order to pay to him. Whenever this order is written by an indorser, whether a first or later indorser, it is an indorsement in full, and the indorsee cannot transfer the note excepting by his indorsement, which again may be in full or in blank. It is now quite settled that the executor or administrator of a deceased payee may indorse the note of his testator, but he has no right to deliver to the indorsee a note which was indorsed by the deceased, but never delivered by him. The same rule holds also in the case of an assignee of an insolvent payee.

The indorsement of a blank note binds the indorser to any terms as to amount and time of payment which the party to whom he intrusts the paper inserts. If the note be originally made payable to "bearer," it is negotiated or transferred by delivery only, and needs no indorsement, any person bear-

ing or presenting the note becoming in that case the party to whom the maker of the note promises to pay it. And the holder of negotiable paper, indorsed in blank or made payable to bearer, is presumed to be the owner for consideration. If circumstances cast suspicion on his ownership, as if it came to him from or through one who had stolen it, then he must prove that he gave value for it; and on such proof will be entitled to it, unless it is shown that he was cognizant of the want of title, or had such notice or means of knowledge as made his negligence equivalent to fraud.

Strictly speaking, only a payee or one made payee by subsequent indorsement, can become himself an indorser. It is not enough that a name is written on the back of a note or bill, for although this is, literally speaking, an indorsement, whether it be so or not by law and the usage of merchants, must depend upon the character of the signer. The effect of a simple signature, without any other words, on the back of a note, by one not the payee, has been much considered and variously decided. From the authorities which we deem entitled to most respect upon this question, and from general principles, we come to these conclusions: If any one not the payee of a negotiable note, or in the case of a note not negotiable, if any party, writes his name on the back of the note at the time it is made, his signature binds him in the same way as if it was on the face of the note and below that of the maker—that is to say, he is held as a joint maker, or as a joint and several maker, according to the form of the note. If the signature be at a distinctly later period, after the making and delivery of the note, the signer as to the payee is not a maker but a guarantor. His promise is void if without consideration, but the consideration may be the original consideration for the note, if the note was received at his request and upon his promise to guarantee the same, or perhaps if the note was made at his request alone, without the promise, and more certainly if the note was given for his benefit; or the consideration for the guarantee may be a new one moving in some way from the holder. In the last case, if the note is not negotiable, the party indorsing can be held only as maker or as guarantor, but if the note be negotiable, the question might arise whether, although the party signing is only a guarantor as to the payee or party receiving the note from him, he may not be liable to subsequent parties as indorser. For if he be only a guarantor he may make the defence of a want of consideration against any holder, but if indorser, only against his immediate indorsee. This question we should answer by saying that if the payee writes his name over the name of the other, thus making him to all appearances a second indorser, he might be held as such by any subsequent ignorant holder for value, because he has enabled the payee to give his signature this appearance and therefore this effect. And we should go further and consider that he would be liable to any holder, even with full notice, because he wrote his name for the purpose of giving the payee his credit; and therefore impliedly authorized the payee to give his suretyship any character perfectly compatible with the manner and place of his signature, so that unless there was a special agreement between the parties that this should not be done, which was also known to the holder, the payee might transfer the note, making the signer a second indorser, and liable as such.

Bills and notes are usually considered together, the law respecting them being in most respects the same. The maker of a note being liable, generally, in the same way as the acceptor of a bill.

SECTION II.

Of the Essentials of Negotiable Bills and Notes.

Promissory notes were made negotiable in England by the statute of 3 & 4 Anne; but it has been doubted there whether a note, payable to the maker's own order, was a negotiable note. In this country it is so, undoubtedly. In some of our States there are statutory provisions permitting negotiable paper to be under seal. It is sufficient in law if the maker's name appears in the note; as, "I, A B., promise, &c." But signature at the bottom is so usual, that the want of it would taint the note with suspicion.

As the negotiable bill or note is intended to represent and take the place of money, it must be payable in money, and not in goods; and although it has been held in this country that it might be made payable in bank bills which were universally current as cash, the weight of authority and reason is against this, and in favor of the English rule, which requires them to be payable in money. The payment must not rest upon any contingency or uncertain event. Hence a draft on a public officer, as such, is not negotiable, because it is presumably drawn against a contingent public fund. But if the event must happen, an uncertainty as to the time of its happening does not prevent the bill or note from being negotiable.

Usually, bills and notes express the consideration by saying "for value received;" but where this is not expressed it is implied by law, both as to the makers and the acceptors or indorsers of negotiable bills and notes, and this presumption must be rebutted by evidence if the defence rests on want of consideration. And the presumption is so far rebutted as to cast the burden of proof on the holder, by evidence making the consideration doubtful.

To a note there need be put two original parties, a maker and a payee. To a bill there are three; drawer, drawee, and payee. The drawee is not bound until acceptance: and then having become the acceptor, he is regarded as primarily the promisor, and the drawer only collaterally; and the drawer is liable in very much the same way as the indorser of a note. We shall treat at this time only of negotiable bills and notes, because it is only they which permit new parties to be introduced by indorsement, who have all the rights of the original parties. Where instruments are not negotiable, third parties may become interested; but, if they are to be regarded as new parties at all, it is only with much qualification.

SECTION III.

Of Indorsement.

The indorsement of a bill or note passes no property, unless the indorser had at the time a legal property in the note. And therefore a married woman cannot indorse a note made payable to her before or during her coverture. Nor does the property in the note pass by indorsement, if the indorsee knew at the time he received it that the indorser

had no right to make the transfer. A party receiving a bill or note as agent, or for any particular purpose, and exceeding his authority or violating his duty, may nevertheless pass the property in the note to a *bona fide* holder. But no assignee, even for good consideration, can hold the bill or note, if he knew or had direct and sufficient means of knowing that the transfer of the same to him was wrongful or unauthorized. The assignor may have held the bill or note by indorsement to him; and as an indorsement may always be restricted or conditioned at the pleasure of the indorser, the assignor was bound to obey such restriction; and an assignee by indorsement, who knows that the indorsement was made in disregard of such restriction, has no property in the bill or note. If a negotiable bill or note be indorsed for consideration, so that the whole property passes to the indorsee, its negotiable quality passes with it; and it is said that this negotiability cannot be restrained by the indorsement. But where the indorsement is without consideration, and is intended merely to give the indorsee authority to receive money for the indorser, there the restriction operates; and if such indorsee again indorses it over, the second indorsee cannot hold it, because the first indorsement gave him notice that the first indorsee had no power to transfer the note. And if a note is once indorsed in blank it is thereafter transferable by mere delivery so long as the indorsement continues blank, and its negotiability cannot be restricted by subsequent special indorsements, but the holder may strike them all out and recover under the blank indorsement. Where one has acquired a bill by indorsement, *bona fide*, he may hold it and recover upon it, although earlier parties knew that it was transferred wrongfully or without authority.

If a negotiable bill or note which is open to any defence that can be made only against a holder with knowledge or notice, pass by indorsement, for consideration, to a holder without knowledge or notice, against whom the defence cannot be made, and this holder indorse it over for consideration to a party who has knowledge or notice of the defence, such indorsee may nevertheless recover on the note, because he stands on the right of his indorser. The party bound to pay it to the holder without notice is not injured by being bound to pay it to his indorsee; and the innocent holder has not only the right of enforcing payment, but of transferring the note by indorsement, and with it all his rights.

SECTION IV.

Of Indorsement after Maturity.

Bills and notes are usually transferred by indorsement before they are due. But they may be so transferred after they are due, and before they are paid. There is, however, a very important difference between the effect of the transfer of a bill or note before its maturity, and that of such transfer when the bill or note is overdue. The *bona fide* holder of a bill by indorsement before maturity takes it subject to no equities existing between his assignor and the promisor which are not indicated on the face of the note. It was once much questioned whether he who received a note under circumstances of suspicion was not bound to ascertain for himself, and at his own peril, that the note came rightfully into his hands; and

therefore a promisor might defend against the note, by showing that he had lost it, or that it was stolen from him, or by any other similar defence, showing also that this might have been ascertained by the holder before receiving the note. But the weight of recent authority is decidedly in favor of the rule that such holder is entitled to the benefit of the note, unless he is a wilful party to the wrong by which it comes into his hands, or, perhaps, has been guilty of such negligence as amounts to constructive fraud. For even gross negligence alone would not deprive him of his right. The law is otherwise, however, if the bill or note were transferred to him when overdue. It comes to him then discredited; he is put upon his guard, and, although he pays a full consideration for it, he receives nothing but the title and rights of his assignor. Such a bill or note can no longer represent a distinct and definite credit, or money to be paid at a certain period; and as it no longer answers the purpose or performs the functions of negotiable paper, it no longer shares the privileges of such instruments. And it is therefore said that any defence which might be made against the assignor may be made available against the assignee. This rule needs, however, some qualifications. It is said by high authorities, and on good reason, that the defence must arise from the note itself, or the transaction in which the note originated, and not from any collateral matter.

As between the original parties to negotiable paper the consideration may be inquired into; and so it may as between indorser and indorsee. But an action by an indorsee against the maker cannot be defeated by showing that no consideration passed to the maker from the payee and indorser. It is sometimes said that such defence is good against the indorsee when the indorsee took the paper with notice of the want of consideration, or of any circumstances which would have avoided the note in the hands of the indorser. But the case of an accommodation note, whether made or indorsed for the benefit of the party to whom the maker or indorser intends to lend his credit, is an exception to this rule. If A makes a note to B or his order, intending to lend B his credit, and gives it to B to raise money on, B cannot sue A on that note; but if E indorses it to C, who discounts the note in good faith, knowing it, however, to be an accommodation note and without valuable consideration, C can nevertheless recover the note from A. The maker may, therefore, have a defence against the payee which he cannot have against an indorsee who has knowledge of that defence. But this is true only where the consideration paid by the indorsee may be regarded as going to the maker, in the same manner that it would if the payee had been promisor, and the maker had signed the note as his surety. The indorsers of accommodation paper are not, however, so far sureties as to have a claim of contribution against each other. In general, accommodation notes or bills are now governed by the same rule as negotiable paper for consideration.

On the ground that negotiable paper is intended only for business purposes, and has its peculiar privileges only that it may more perfectly perform this function, it has been held that one who takes a negotiable note, even before its maturity, but only in payment of or as security for an antecedent debt, without giving for it any new consideration, does not take it in the way of business, and is not a *bona fide* holder; and that he therefore holds the note subject to all equitable defences. This doctrine rests upon adjudications and opinions of great weight; but it is also denied by

very high authorities, indeed by the highest in this country, the Supreme Court of the United States, who have decided that a pre-existing debt of itself, and without any strengthening circumstances, is of itself a sufficient consideration. But it has nevertheless been held since that decision, by courts entitled to great respect, that the doctrine of the Supreme Court is erroneous and untenable. It must be admitted that the law on this subject is in a very unsettled state; but it may be supposed that in this country the authority of the Supreme Court will generally prevail.

SECTION V.

Notes on Demand.

Bills and notes payable on demand are in one sense always overdue; they are not, however, so treated until payment has been demanded and refused; then they become like bills on time which have been dishonored; and to bring them within this rule there should be evidence of such demand and refusal. But there is this difference between a note on time and a note on demand; a note on time, after that time has passed, is certainly dishonored, and an indorsee must know it. But there is no time when a note on demand must have been dishonored, and none therefore when an indorsee could not have received it without that knowledge. Nevertheless it seems reasonable to say that if a note which was payable at any day, has not been paid for very many days, it may fairly be presumed to have been dishonored, and an indorsee after this lapse of time, may be held to have had a sufficient notice of its dishonor; and many American authorities hold this view. But it is still true, that the law does not presume that they were made with the intention of immediate demand and payment. And where a note on demand is indorsed within a reasonable time after its date, the indorsee has all the rights of an indorsee of a negotiable note on time where the indorsement was made before maturity; but what this reasonable time shall be must depend upon the facts of the case. It is not determined by any positive rule. Checks on banks, for instance, should be presented at once; and the rule as to overdue notes is applied with more strictness to them.

A bill once paid by the acceptor can no longer be negotiated; but until paid by him it is capable of indefinite negotiation. If paid in part it may be indorsed as to the residue. But, it cannot be indorsed in part; and if it be indorsed in part, and is afterwards indorsed by the same indorser to the same indorsee for the remaining part, this is not a good indorsement. The holder of a bill or note payable to bearer, or of one payable to some payee or order and indorsed in blank, may transfer the same by mere delivery, and is not liable upon it. But where one obtains money on a bill or note, by discount; and the bill or note is forged, if he did not indorse it he is still liable to refund the money to the party from whom he received it, on the ground of an implied warranty that the instrument is genuine; and also on the general principle, that one who pays money without consideration may recover it back.

If a note be made payable on its face or by indorsement to a party or his order, that party can transfer the note in full property only by his indorsement; and when he indorses it he makes himself liable to pay it if there

who ought to have paid it to him, had he continued to hold it, fail to pay it to the party to whom he orders it paid. His indorsement is, in itself, only an order on them to pay the bill or note; but the law annexes to this order a promise on his part to pay the bill or note if they do not. He may guard against this by indorsing it with the words "without recourse," which means, by usage, that the holder is not to have, in any event, recourse to the indorser. And the same purpose will be answered if he uses any other words distinctly expressive of the same meaning. But without such words he is liable for the whole amount.

It is this peculiarity which gives their great value and utility to bills and notes as instruments of commerce and business. And this liability is strictly defined and very carefully watched and protected. It is a continual liability only. All the previous parties must have the bill or note presented to them, and payment demanded; and notice of the demand and non-payment must be given to all. And this requirement is very precise as to time, and somewhat so as to form; as we shall presently see.

It has been said that every party so indorsing a bill or note may be regarded as making a new bill or note; this, though true in general, may not be precisely and exactly the rule of law; still important consequences sometimes flow from it. Thus an acceptor is bound, although the name of the drawer is forged, and an indorser, although the maker's name is forged; for by acceptance, and by each indorsement, a new contract is formed. And the same rule would apply to a party who intervenes and accepts or pays *supra protest*. But a distinction has been taken between a bill with the signature forged, and one of which the whole body is forged, holding that the implied admission or warranty of the acceptor does not apply in this latter case. So, if a bank pays a forged check, it bears the loss. And if a bank receive payment of an amount due to it in its own bills, which turn out to be forged, it is bound. But, in general, payment of a debt in forged bills, both parties being innocent, is no payment, nor is a bank bound by discounting a forged note. But the loser by forged paper can recover it back only by showing proper diligence to detect the forgery, and to give notice to those who might be affected by it.

Whether payment of a debt in bills of an insolvent bank, both parties being ignorant of the fact, is payment, seems not to be quite settled. It must depend upon the question, (which in each case may be affected by its peculiar circumstances,) whether the payee takes the bills as absolute payment at his own risk, or takes them only as conditional payment, he to be bound only to use due diligence in collecting the bills, and if he fails, the payment be null. Perhaps the weight of authority, as well as of reason, is in favor of this last view predominating where there is no sufficient evidence of a contrary intention.

The liability of an indorser may be considered, first as it depends on the demand of payment, and then as to notice of non-payment, and the proceedings necessary thereon. But bills of exchange must also, in some instances, be presented for acceptance, when they are made payable at a certain time after sight, in order to fix the day of their maturity. If payable in so many days after date this is not necessary. But the holder may present any bill for acceptance, at any time, even the last day before it is due; and if not accepted may sue the drawer and indorser. It is prudent and useful to present a bill for acceptance soon after it is received, as the holder thereby acquires the security of the acceptor.

SECTION VI.

Of Presentment for Acceptance.

Presentment for acceptance should be made by the holder or his authorized agent to the drawee or his authorized agent, during the usual hours of business. And the drawee has until the next day to determine whether he will accept, but may answer at once. And a bill may be in some sort accepted before it is drawn, for a written promise to accept a certain bill hereafter to be made is construed as an acceptance, if precisely that bill is drawn within a reasonable time after such promise. The acceptance must also be absolute, and not in any respect differing from the terms of the bill. If any other be given, the holder may assent and so bind the acceptor, but must give notice as of non-acceptance to other parties, in order to bind them. The usual way of accepting is by writing the word "accepted" on the face of the bill, and signing the acceptor's name; but there is no precise formula or method which is necessary to constitute a good acceptance. It seems to be enough if it is substantively a distinct promise to pay the bill according to its terms, whether it be in writing upon the bill or upon a separate paper, or by parol.

SECTION VII.

Of Presentment for Payment.

A bill or note must be presented for payment at its maturity, or the indorsers are not held. They guarantee its payment, not by express words, but by operation of law. And for their protection the law annexes to their liability, as a condition, that reasonable efforts shall be made to procure the payment from those bound to pay before them, and also that they shall have reasonable notice of a refusal to pay, that they may have an opportunity to indemnify themselves. The justice of this is obvious. A holder of a note, with a good indorser, might be very indifferent as to the payment by the promisor or an earlier indorser, if he knew that he could certainly collect the amount from the indorser on whom he relied; therefore the very liability of this indorser is made to rest upon the efforts of the holder to obtain the money from the prior parties. Again; each indorser transfers by indorsement a debt due to himself, and if by the guaranty which springs from his indorsement he has to pay this debt to another, he is entitled to all the knowledge which will enable him to secure a payment of this debt to himself. The rules, and the exceptions to the rules, in relation to demand of payment and notice of non-payment, will be found to rest upon these principles.

Generally, the question of reasonable time, reasonable diligence, and reasonable notice, is open to the circumstances of every case, and is determined by a reference to them. But in regard to bills and notes the law merchant has defined all of these with great exactness.

The general rule may be said to be, that the drawer and indorsers of a bill and the indorsers of a note are discharged from their liability, unless payment of the bill or note be demanded from the party bound to pay it on the day on which it falls due. And if the holder neglects to make such

demand, he not only loses the guaranty of subsequent parties, but all right to recover for the consideration or debt for which the bill or note was given.

Let us look at the exceptions to this rule requiring such presentment of a bill or note. Bankruptcy or insolvency, however certain or however manifested, is not one. Though the bank or shop be shut, presentment there or to the parties personally must still be made. Nor will the death of the party prevent the necessity of demanding payment of his personal representatives, if he have any, and if not, at his house. But delay or omission to demand payment does not discharge the drawer of a bill, if the drawee had in his hands no effects of the drawer, at any time between the drawing of the bill and its maturity, and had no right on other ground to expect the payment of the bill, for the drawer had then no right to draw the bill, and therefore no right to demand or notice, because he could not profit by it to get payment to himself of the debt from the drawee, there being no such debt. So, also, if the transaction between the drawer and the drawee was illegal. But such presentment should still be made to hold the subsequent parties. The discharge from liability arising from such delay or omission may be waived, by an express promise to pay made after such discharge, or by a payment in part, from which the law infers an acknowledgment of liability; but not by a promise made before such delay or omission. If the party who should pay the note has absconded, or has no domicile or regular place of business, and cannot be found by reasonable endeavors, payment need not be demanded of him, because it would be of no utility to a subsequent party; still, notice of these facts should be given. And it has been held that where demand of payment was delayed by political disturbances, or by any invincible obstacle, it was enough if the demand was made as soon as possible after the obstruction ceased. Where the bill or note is made payable at a particular place specified in the body of it, it seems to be the rule in England that it must be presented for that purpose at that place, for the place is part of the contract; but in this country, neither such bill or note, nor a bill drawn payable generally, but accepted payable at a specified place, need be presented at that place in order to sustain an action against the maker or acceptor, but he may show, by way of defence, that he was ready there with funds, and thus escape all damages and interest; and if he can show positive loss from the want of such presentment, (as the subsequent failure of a bank where he had placed funds to meet the bill,) he will be discharged from his liability on the bill to the amount of such loss. Such seems to be the prevailing, though not the only view, taken of this subject by the American authorities; for some of much weight hold, that where the acceptance is thus qualified, the holder may refuse it, and protest as for non-acceptance; but if he receives and assents to it, he is bound by it, and can demand payment nowhere else. The drawers and indorsers are certainly discharged by a neglect to demand payment at such specified place. If the place be designated only in a memorandum, not in the body of the bill or note, presentment may be made at such place, but may also be made where it might have been without such memorandum. If the note be payable at any of several different places, presentment at any one of them will be sufficient. It has been held that where a note was made payable at a certain house, and the occupant of the house was himself the

holder of the note at its maturity, it was demand enough if he examined his accounts, and refusal enough if he had no balance in his hands belonging to the party bound to pay.

SECTION VIII.

Of whom, and when, and where, the Demand should be made.

Demand of payment should be made by the holder, or his authorized agent, of the party bound to pay, or his authorized agent, and at his usual place of residence, or usual place of business; if the former, within such hours as may be reasonably so employed, and if the latter, in business hours. And if the holder finds the dwelling house or place of business of the payor closed, so that he cannot enter the same, and after due inquiry cannot find the payor, the prevalent doctrine in this country is, that he may treat the bill or note as dishonored. If the payor has changed his residence to some other place within the same State, the holder must endeavor to find it, and make demand there; but if he have removed out of the State, subsequent to making the note, the demand may be made at his former residence. The presumption is, that the holder lives where he dates the note, and demand must be made there, unless when the note falls due the payor resides elsewhere within the State, and the holder knows it, and then the holder must make the demand there.

The whole law in respect of demand and notice is very much influenced by the usage of particular places; where such usage is so well established and so well known that persons may be supposed to contract with reference to it. Of this the English rule in relation to checks on bankers affords an instance, and also the usage of the banks of our different cities as to notes discounted by them, or left with them for collection. In this country the practice is not uniform, but, in general, a demand is made some days before the maturity of a note, by a notice post-dated on the day of maturity, omitting the days of grace. But it is usual, also, if the note be not paid on the last day of grace, to make a formal demand on that day, after business hours. Bills and notes sometimes express days of grace, but generally not. Usually, and in some States by statutory provisions, all bills and notes on time, when grace is not expressly excluded, are entitled to grace. But notes payable on demand are not entitled to grace, nor are checks on banks, though payable on time.

It sometimes happens that when a bill is drawn in one country, and made payable in another, the laws in relation to presentment and demand differ in those countries; and then the question arises, which law shall prevail. It would seem that in England the law of the place in which it is payable prevails; but in this country it has been decided that the law of the country in which the bill is indorsed shall govern exclusively as to the liabilities and duties of the indorsers, on the ground that every indorsement is substantially a new contract.

SECTION IX.

Of Notice of Non-payment.

Where a bill is not accepted, or a bill or note is not paid at maturity, by the party bound then to pay it, all subsequent parties must have imme-

diate notice of this fact. Even a verbal agreement of the parties to waive notice may not render it unnecessary; but it is sometimes waived in writing, and this usually on the note; as by the words, "I waive demand and notice;" and such waiver is sufficient. A waiver of demand alone should operate as a waiver of notice; for if demand of payment is not made because unnecessary, a notice can hardly be necessary or useful; but a waiver of notice alone is not a waiver of demand, for though the party waiving may not wish for notice of the non-payment, he may still claim that payment should be demanded. And no waiver affects any party but him who makes it. It was formerly held that a neglect to give notice would not support a defence to a bill, unless injury could be proved; but it is now well settled that the law presumes injury.

The omission to give such notice may, however, be excused, by circumstances which rendered it impossible, or nearly so. The absconding or absence beyond reach of the party to be notified, or the death or sufficient illness of the party bound to give notice, or any sufficient accident or obstruction. But nothing of this kind is a sufficient excuse, provided the notice could have been given by great diligence and earnest endeavor, for so much is required by the law.

In general, the notice must be given within a reasonable time; and what this time is, is a question of law for the court, and each case will be judged by its circumstances. It may not, perhaps, be proper to say that there is a positive rule of law on the subject, but from the usage in commercial places, and the weight of authorities, it may be gathered, that notice of non-payment may be given to parties liable to pay, on the same day on which payment has been refused; either personally or by mail, as may be proper under the circumstances; and that it should be given as soon as on the day following that on which payment has been refused; or by the mail of the same day, or by the next mail afterwards, provided no convenient or usual means intervene. Where there is but one mail departing upon the day succeeding the default, notice must be sent thereby, unless it depart before ordinary business hours on that day. But if there be more than one mail, it seems to be considered that it is sufficient if the notice be deposited in time to go by any mail of that day. In London it may be sent by penny post to parties residing there. If the party live out of town, then it may be sent to the post-office nearest to his residence, or it may be sent to the post-office where the party usually receives his letters, although not his actual place of residence. And where notice may be properly given through the post-office, it is sufficient if the notice be deposited in the office, although it is never received by the indorser. And where an indorser receives notice, and is bound to give notice to other parties as the condition of making them liable to him, he comes under the same rule, and each successive indorser has until the next day to give such notice. If a bill is sent to an agent for collection, he is treated as a holder of the note for the purpose of giving notice, and his principal has the same time for notifying his indorsers after receiving notice from the agent, as if himself an indorser receiving notice from an indorsee.

If Sunday or any other day intervene, which by law or by established usage is not a day of business, then it is not counted, and the obligation as to notice is the same as if it fell on the succeeding day. If a note or bill payable without grace falls due on such a day, it is not payable until the

next day. But if the last day of grace falls on such a day, then it is payable on the day before; for the days of grace are regarded as matters of favor, and are abridged instead of being lengthened by the intervention of such a day.

The purpose of notice is, that the party receiving it may obtain security from the party liable to him, for the sum for which he is liable to other parties. No precise form is necessary; but it must be consonant with the facts, and state distinctly the dishonor of the bill, and either expressly or by an equivalent implication, that the party to whom the notice is sent is looked to for the payment. And it is held by the best authority, that this implication arises from the actual notice of dishonor. Nor will a slight mistake in the name or description of the note or party vitiate the notice, unless the party receiving it is misled thereby. Any party may give notice, and it will inure to the benefit of every other party, provided the party giving the notice be himself the holder or an indorser already fixed by notice, and gives the notice to the party sought to be charged, within one day after the dishonor, or after receiving notice himself. But notice given to one party does not hold another; thus if a second indorser having notice, and thereby being bound, neglects to give notice to the first indorser, the latter would not be liable.

After the holder of a dishonored bill or note has given due notice to indorsers, he may indulge the acceptor or maker with forbearance or delay, without losing his claim on the indorsers, provided he retains the power of enforcing payment at any moment. But if he makes a bargain for delay, promising it on a consideration which makes the promise binding, or under his seal, this destroys his claim against the indorsers. The reason is, that he ought not to claim payment of the indorsers, unless, on payment, he could transfer to them the bill or note, with a full right to enforce payment at once from the acceptor or maker. But he could give them no such right if he had, for good consideration, given to the acceptor or maker his promise that they should not be sued. It has been a subject of some discussion whether the above rule applies in cases of assignments in insolvency. Bankrupt and insolvent laws usually provide that the discharge of the bankrupt or insolvent shall not discharge his indorsers or sureties; and it is sometimes attempted to effect the same result in voluntary assignments in insolvency. The indentures contain a provision that the creditors who become parties to them discharge the insolvent; but they also contain a further provision that the indorsers or sureties shall not be discharged. And the question has been whether the indorsers or sureties are discharged notwithstanding this provision. But we think the reason of the rule which discharges them, does not hold in this case. For where the debtor himself stipulates that his discharge shall not prevent his creditors from having recourse to his indorsers or sureties, it must be understood that he binds himself not to oppose such discharge to a suit against himself by the indorsers or sureties, if they are held liable to his creditors by reason of a provision which he himself expressly makes. The reason, therefore, fails, which generally makes his discharge their discharge. And, it may be added, that it is for their benefit that this provision should be carried into effect. For if his discharge necessarily operated their discharge, creditors would naturally prefer a claim against them to the dividend of an insolvent, and would therefore take nothing from him, but all from them. Whereas

if this clause permits them to get what they can from the insolvent, and look to the indorsers or sureties only for the balance, they would always do so, and the sureties would have the benefit of whatever was paid by way of dividend.

SECTION X.

Of Protest.

If a foreign bill be not accepted, or not paid at maturity, it must be protested at once; and this should be done by a notary public, to whose official acts, under his seal, full faith is given in all countries. Inland bills are generally, and promissory notes very often, protested in like manner, but this is not required by the law merchant, and the notary's certificate of protest would not in such case be evidence of dishonor. If the bill be protested for non-acceptance by the drawee, any third person may intervene, and accept or pay the bill, for the honor of the drawer or of any indorser; and such acceptance *supra protest* has the same effect as if the bill had been drawn on him. He is liable in the same way, and he has his remedy against the person for whom he accepts, and all prior parties with notice; and if he pays the bill for an indorser he stands in the position of an indorsee for value. And this is true although the acceptance is at the request and for the honor of the drawee after his refusal. The holder is not bound to receive an acceptance *supra protest*, but must receive payment if tendered to him *supra protest*. But after a general acceptance by the drawee there can be no acceptance *supra protest*, and a third party can only add his credit to the bill by a collateral guaranty. If the bill designates a third party to whom recourse is to be had on non-acceptance, it is said that this direction must be obeyed.

SECTION XI.

On Damages for Non-payment of Bills.

If a bill of exchange be not paid at maturity, the holder may at once re-draw on the drawer or indorser, not only for the face of the bill, but for so much more as shall indemnify him; and therefore for so much as shall cover the necessary costs of protest, notice, commissions, and whatever further loss he sustains by the current rate of exchange on the place where the drawer or indorser resided. This is the rule of the law merchant; but in this country, instead of re-exchange, or damages to be ascertained by a reference to the above items of loss, established rates of damage are fixed by statute or by usage. These rates are larger in proportion to the distance of the place where the drawee resides, from the place where the bill is drawn. And it may be regretted that more uniformity does not prevail among the several States in relation to this matter. It seems to be settled by the weight of authority, that, in determining the amount of re-exchange, the actual or mercantile par or valuation of money should be regarded, and not the mere legal or nominal, which, as between this country and England, differs very widely from the true value.

NEW GOVERNMENT LOAN.

THE bidding for the new United States Treasury five per cent. loan of ten millions of dollars, due in 1874, has attracted general attention, from two causes, first, that capital is unusually abundant; and secondly, because most of the bidders desire the investment for home account. We find, therefore, that various surmises have been made as to the premium necessary in order to make this five per cent. loan bear the same net interest as the six per cent. loan due in 1868, now in market, the last quotation of which was 116. It has been generally stated, particularly in the telegraphic dispatches from Washington, that the necessary premium was eight per cent., or the bid to be at 108 per cent. to give a net interest equal to the old loan. This is too little. To ascertain the exact amount requires mathematical investigation beyond the industry of most computers. We propose, therefore, to show accurately the equivalent rates at which the two stocks should sell. The six per cent. stock has been quoted lately at $114\frac{1}{2}$; but this is erroneous, as no amount has been sold or can be purchased for less than 116.

The first question is, that if the Six per Cent. Government Loan is selling at 116, what is the net rate per cent. realized from the investment?

As the par value only will be paid at the end of ten years, the principal will have depreciated during that time sixteen dollars, consequently it will be necessary to fund annually a portion of the interest received in order to cover this deficiency in the principal.

\$100 of this loan is now selling for \$116—upon which \$6 is realized annually as interest. To provide for the depreciation of \$16 in ten years, it will be necessary to fund at four per cent. compound interest \$1.33 at the end of each year, which deducted from the interest actually received, \$6, leaves \$4.67 as the interest received on the investment of 116, or at the rate of 04.05 per cent. as the net interest.

The second question is, what is the corresponding value of the 5 per cent. loan, having fifteen years to run, in order that it may yield the same net interest?

We find, applying the same calculation, that at 111, the five per cent. will yield a net rate of 04.03 per cent. interest, which is very nearly the same as the above, and hence conclude that 116 for the first loan nearly corresponds to 111 for the second. At 110 the net interest on the five per cent. loan would be 04.10. It is therefore evident, that 110.71 is the exact equivalent rate for the five per cent. loan when the six per cent. is selling at 116. It will be noticed that four per cent. is the interest at which the reserve is funded, and that the stock bears the same net interest, so that an investment of \$1.33 yearly in the six per cent. stock would return the premium when the stock was redeemed by government.

This computation shows that the rate at which the loan was taken is much below the present quotation of the six per cent. stock, and that the five per cent. stock is worth a premium of from ten to eleven per cent.

The following is an official list of the accepted bids for the new Loan :

	Amount.	p. c. pm.		Amount.	p. c. pm.
J. M. Townsend, N. Haven,	\$100,000	5.00	Whitehouse, Son & Morison,	50,000	4.41
U. S. Trust Co., N. Y.,	200,000	4.52	"	50,000	4.52
"	100,000	4.77	"	50,000	4.61
"	50,000	4.81	"	50,000	4.72
"	50,000	4.96	"	50,000	4.81
"	50,000	5.02	"	50,000	4.91
"	50,000	5.07	"	50,000	5.01
Thomas J. Abbott,	6,000	6.00	G. S. Robbins & Sons, N. Y.,	500,000	5.03
City Bank, N. Haven,	20,000	4.30	"	500,000	5.27
"	20,000	4.56	"	500,000	5.52
"	20,000	4.81	"	500,000	5.78
"	20,000	5.03	Bank of the Republic, N. Y.,	100,000	5.00
E. S. Munroe, N. York,	20,000	4.26	H. L. Seaman, N. Y.,	25,000	5.00
"	20,000	4.51	Trevor & Colgate,	200,000	4.58
Carroll Livingston & Son,	9,000	4.12½	"	100,000	4.61
"	100,000	4.25	"	100,000	4.81
"	100,000	4.37½	"	100,000	5.06
"	100,000	4.50	Marie & Kanz, N. Y.,	18,000	4.12½
"	100,000	4.62½	"	50,000	4.25
Hoffman & Ten Brook, N. Y.	10,000	4.25	"	50,000	4.30
"	10,000	4.40	"	50,000	4.40
"	10,000	4.55	"	103,000	4.50
"	10,000	4.70	"	50,000	4.56
"	10,000	4.85	"	70,000	4.75
"	10,000	5.00	"	50,000	4.76
"	10,000	5.10	"	10,000	5.00
Bk. of the Metropolis, D. C.	9,000	4.12½	"	250,000	5.01
"	50,000	5.00	"	25,000	5.06
Chubb, Brothers,	100,000	4.14	"	25,000	5.26
"	100,000	4.54	"	20,000	5.50
"	100,000	5.04	Seamen's Bank for Savings,	20,000	5.25
Joseph Fowler,	5,000	5.00	"	20,000	5.00
Bank of Commerce, N. Y.,	550,000	5.07	"	20,000	4.75
"	500,000	5.27	"	20,000	4.50
"	500,000	4.53	"	20,000	4.25
Cammann & Co., N. Y.,	300,000	4.35	New Haven Bank,	20,000	4.56
"	250,000	4.76	Savings Bank, Baltimore,	50,000	5.00
"	100,000	5.02	Howland & Aspinwall, N. Y.,	100,000	4.52
"	50,000	5.33	"	100,000	4.77
"	50,000	5.52	"	100,000	5.03
Drexel & Co., Philadelphia,	100,000	4.29	"	100,000	5.27
"	100,000	4.54	"	50,000	5.52
"	100,000	4.74	Hoguet & Boell, N. Y.,	50,000	4.26
"	100,000	4.84	"	50,000	5.51
"	100,000	5.04	"	30,000	4.76
Cronise & Co. Philadelphia,	20,000	4.29	"	20,000	5.01
"	20,000	4.54	R. W. Montgomery,	20,000	4.75
"	20,000	4.74	Tallmadge & Manly,	50,000	4.25
"	20,000	4.84	"	50,000	4.50
"	20,000	5.04	"	50,000	4.75
Continental Bank, N. York,	50,000	4.25	"	50,000	5.00
Clark, Dodge & Co., N. Y.,	100,000	4.26	"	50,000	5.75
"	100,000	4.51	C. F. Pond,	20,000	5.00
"	100,000	4.76	Meigs & Greenleaf, N. Y.,	50,000	4.37½
State Bank of Troy, N. Y.,	5,000	6.03	"	5,000	4.50
"	5,000	6.53	J. C. Thatcher,	75,000	4.52
"	5,000	6.69	"	75,000	4.77
"	5,000	7.03	"	50,000	4.81
Whitehouse, Son & Morison,	50,000	4.21			
"	50,000	4.32			
			Total.....	\$10,000,000	

We learn that all the bids above 4 12-100 are successful, and all at this rate obtain a portion of the amount bid for, and also that the average rate paid was 104.9, so that there is a large margin of profit between this average and the real value of the stock. The aggregate bids were thirty-eight millions. The stock is quoted here this week at 106, interest to January included.

If there is any allowance to be made it is in favor of the five per cent. loan, for there should be deducted from the present price of the six per cent. stock forty days' interest, equal to about one-half of one per cent. The five per cent. loan of course bears interest from time of issue.

We compile the following table, showing the amounts of the proposals at the several rates of premium offered :

\$5,000 a 7.08	\$50,000 a 4.72	\$240,000 a 4.04	\$50,000 a 3.01
5,000 6.29	10,000 4.70	170,000 4.01	10,000 3.004
5,000 6.53	100,000 4.624	532,000 4.00	5,531,000 3.00
5,000 6.03	150,000 4.61	500,000 3.97	200,000 2.81
6,000 6.00	200,000 4.58	10,000 3.90	200,000 2.80
500,000 5.78	90,000 4.56	300,000 3.78	60,000 2.75
600,000 5.52	10,000 4.55	10,000,000 3.77	200,000 2.50
20,000 5.50	220,000 4.54	150,000 3.76	460,000 2.57
50,000 5.33	500,000 4.53	150,000 3.75	400,000 2.55
1,100,000 5.26	425,000 4.52	60,000 3.70	170,000 2.40
25,000 5.27	170,000 4.51	100,000 3.60	200,000 2.40
70,000 5.25	278,000 4.50	250,000 5.56	500,000 2.30
10,000 5.10	50,000 4.41	200,000 3.55	10,000 2.25
600,000 5.07	60,000 4.40	70,000 3.51	460,000 2.07
145,000 5.06	150,000 4.374	510,000 3.50	500,000 2.75
220,000 5.04	300,000 4.35	165,000 3.40	45,000 2.00
600,000 5.03	50,000 4.32	510,000 3.30	360,000 1.60
150,000 5.02	70,000 4.30	30,000 3.28	100,000 1.57
330,000 5.01	20,000 4.29	720,000 3.26	160,000 1.50
440,000 5.00	170,000 4.26	100,000 3.25	100,000 1.13
50,000 4.96	220,000 4.25	195,000 3.20	100,000 1.57
50,000 4.91	50,000 4.21	200,000 3.15	60,000 1.00
10,900 4.85	100,000 4.14	150,000 3.154	10,000 0.75
120,000 4.84	400,000 4.124	50,000 3.12	100,000 0.624
178,000 4.81	50,000 4.12	230,000 3.10	55,000 0.50
275,000 4.77	10,000 4.10	185,000 3.09	196,000 0.00
450,000 4.76	520,000 4.07	460,000 3.07	
140,000 4.75	300,000 4.06	50,000 3.06	
120,000 4.74	385,000 4.05	250,000 3.05	
			Total, \$38,271,000

We have no official notification of the award, but from an analysis of the table, it appears that it will be at the following rates :

From 106 to 107.03 per cent.....	\$26,000
From 105 to 106 per cent.....	4,850,000
From 104.14 to 105 per cent.....	4,896,000
From 104.124 per cent.....	228,000
Total.....	\$10,000,000

THE AMERICAN EXCHANGE BANK, NEW YORK.

With an Engraving.

THE American Exchange Bank occupied their new premises, corner of Broadway and Cedar street, August 2d.

The building is forty feet front on Broadway, fifty feet in the rear, and one hundred feet on Cedar street. The building is erected without any variation, according to a sketch prepared previous to a competition by some six architects, for the purpose of guiding them in the preparation of their plans. The banking room proper occupies a space of about thirty feet by eighty, exclusive of vaults, which cover a space of eighty feet by twenty-four feet, and a private stairway leading to the second story into the Directors' room. The remaining twenty by fifty feet in the rear of the building is arranged in three stories, corresponding with the two stories occupied by the basement and the Bank, which three stories are appropriated as follows: The first, about on a level with the basement floor, is a commodious washing and dressing-room for the clerks of the Bank. The second story, on a level with the sidewalk, and accessible direct from the main banking-room, is a correspondence room; and the third, also accessible from the main bank by a few steps, is occupied by the Cashier's and President's rooms.

The basement is divided in three large, airy, well-lighted and commodious offices, amply supplied with vaults, very desirable for Insurance and Bankers' offices; on the second story, in the rear, is the Directors' room, about twenty-two by forty-five feet in the clear, and the residue of that story, as well as the third story, (which, by the way, is already occupied,) and also the fourth story, are divided into large and desirable offices for rent, well lighted both from the street and from an interior sky-light sixteen by thirty-six feet. The attic is laid out for the accommodation of engravers, who need a superior northern light, which is amply supplied by the above sky-light. The building is erected in the Gothic style, carefully applied to present wants and purposes and the materials used. The exterior of the whole building and the whole of the interior of the banking room, the President's and Cashier's rooms, are faced with the best quality of Dorchester stone, and as a piece of mechanical workmanship, is certainly without a fault. The iron work in the banking room certainly deserves special notice, as being far superior to any thing done heretofore in the same material, especially the linings of the vaults, the massive vault doors, the window-frames and sashes, the shutters, and castings of the ceilings.

The mason work was done by RANDOLPH BRANT, and if we say that the whole of that massive building, with its ramifications of heavy iron work, brick and stone work, stands as firmly balanced as could be wished; and although built up in less than six months from the laying of the first stone to the putting on of the roof, does not show the first crack, this abundantly proves that Mr. BRANT has done his duty.

The building is thoroughly fire-proof, the floors throughout consisting of brick arches or stone, as in the banking room, resting upon wrought-iron beams, furnished by the Trenton Iron Works. The roof is slated upon iron rods, and the little woodwork we find, with the exception of the floor plank, is all of the best white oak and cherry.

The Bank department and all the halls have the floors laid with encaustic tile. The furniture of the Banking room, as well as the President's the Cashier's and Directors' rooms, also the screens dividing the President's and Cashier's rooms, are all of white oak, and we consider them masterpieces of mechanical workmanship. They are by GUSTAVE HERTER, who is already well known to our building community, but who promises to make a reputation over the whole country by the superiority of his work and the originality of his designs.

BANK ROBBERIES.

BETHEL, CONN.—Between Saturday night and Sunday morning, August 8th, the Hatters' Bank at Bethel was robbed of \$86,000 in specie and bills of that and other banks. The robbers entered the main door of the bank in the night by means of a skeleton key, proceeded to the directors' room in the rear, took up a carpet on one side of the room, and then sawed out a trap-door under the large centre table, through which they entered the vault below. Here they worked for a week, nights, until they succeeded in undermining the vault and taking therefrom \$86,000. After they had finished their night's work they came up through the trap-door, replaced it, put down the carpet again, and tacked it down, and left the bank apparently precisely as they found it. For fear the table might be moved and the trap-door get displaced, by being stepped on, they inserted screws in the boards to keep them from moving. Thus they proceeded each night, until they secured their plunder and decamped, unsuspected even. The bank was locked and the vault fastened in the usual manner on Saturday night, the 7th instant. On Monday, the 9th, the vault could not be opened, and supposing the lock to be out of order, the managers sent to New York for the maker. On his arrival he opened the lock, when it was discovered that it had been undermined and entered from the bottom, and \$7,000 in specie, and \$79,000 in bills and foreign paper stolen. The robbers had fixed the lock on the inside for the purpose of making a delay, in order to give them time to escape with their booty. Suspicion rests upon a stranger, who stole a horse and wagon and disappeared from Bethel some time ago, but we do not learn how well-founded they are. The robbers must have been expert rogues, and a sufficiently large reward will set the police after them, with a fair prospect of their detection.

The \$86,000 stolen consisted of \$6,000 in gold and silver, \$1,300 in bills of other banks, and \$78,700 in bills of the Bethel Bank. The vault lock was opened before the manufacturer arrived from New York, when it was discovered that the bottom of the vault was gone, and so was all the money left in it on Saturday night.

The vault was built, it appears, on a stone foundation, of some four or five feet in thickness, and "flagged" in the usual manner. On examination it was discovered that this foundation had been undermined, dug out and removed. On further examination it was found that a hole had been nicely sawed through the floor, under the table, in the directors' room. This room was covered with a carpet, which had been taken up, to get at the floor, under the table, and then tacked down again, as before, in so complete a manner as to leave no appearance whatever that it had been disturbed. How the entry was made into the bank does not appear, but it is supposed it must have been effected through the front door, by means of a false key.

From the amount of labor that would seem necessary to accomplish such an undertaking, and from the complete manner in which the work was all done, it is thought the burglar must have commenced his operations some three or four weeks ago. The boards cut from the floor were so nicely re-adjusted with screws and putty, that no one could easily discover that they had ever been removed, even if no carpet were on the floor. The dirt under the foundation, and the stone and mortar of which the foundation was composed, were removed so far away that they could not inconvenience him in his work, nor obstruct his ingress or egress to the bottom of the vault.

The obstruction to the bolt in the door of the vault was found to be a block of pine

wood, which the robber had adjusted against the lower end, and which was smashed by the power applied to the lock by the blacksmith. Until this was done and the door opened, there was nothing to be seen in either room of the bank to excite suspicion that the premises had been encroached upon, or the property of the establishment in the least disturbed.

A reward of five per cent. was offered for the return of the money, and Mr. Walling, captain of the detective force of this city, with Elder and McCord, two experienced officers under his command, took the matter in hand, and have followed it day and night, with commendable perseverance and great success. They had not the faintest clue to the criminals, nor could they obtain any, and were obliged to work merely upon suspicion. Their first step was to weigh probabilities. Having an extensive knowledge of the most adroit operators in the city, they decided that certain parties, whom we shall not name, were more likely than others to have committed such a crime with success. On this calculation they proceeded to track the suspected persons. This they have done night and day, frequently following them for great distances in stages, cars, and on foot. Two houses, known to be favorite resorts of burglars and thieves, were closely watched, until it was found with certainty that these places were the head quarters of the suspected parties. A few days since they arrested two men on suspicion, who gave their names as George Smith and James Farrell, but evidence could not be obtained sufficient to hold them for trial, and they were accordingly discharged. The officers, however, did not relax their efforts, and still kept a vigilant watch upon the movements of the supposed robbers.

Capt. Walling resides at No. 325 Second avenue, where he hires apartments of Wm. O'Donnell, who owns and occupies the house. About nine o'clock on Wednesday evening, the 18th, a man apparently much disguised, called at O'Donnell's house, and inquired if Captain Walling lived there. Being answered in the affirmative, he asked if he was in. Being told that he was not in, he handed Mr. O'Donnell a small black satchel, which he held in his hand, requested him to give it to the Captain when he arrived, and immediately left. Mr. O'Donnell keeps a public house in Third avenue, to which place he went soon after the above occurrence. Captain Walling, on his way home at a late hour, stopped for O'Donnell, and the two walked home together. The latter had scarcely thought of the carpet bag since it was left, but as they entered the house it occurred to him, and he mentioned it. The Captain thought it singular, and the two, with a brother of O'Donnell, determined to examine it at once. It was suggested it might be an infernal machine for the Captain's destruction, and it was accordingly opened with caution. Upon opening the bag, it was found to contain a large quantity of the bills which had been stolen from the Hatters' Bank. The Captain took possession of the funds so unexpectedly obtained, and this morning brought it down to the Deputy Superintendent's office. The money was done up in three packages; the bills, however, were not assorted, and when our reporter left had not all been counted. It was estimated, however, that there was at least *sixty thousand dollars*. Mr. Greenwood, of Barnum's Museum, who has several friends connected with the bank, this forenoon went to Bethel to inform the officers of the discovery and get the cashier. The satchel contained nothing but the money. It is supposed that the robbers finding themselves closely watched, and not daring to use the money, concluded to return a portion of it. It appears, however, that they retained the handsome sum of \$26,000. Great credit is due to the officers for the perseverance with which they have labored to discover the perpetrators of the robbery.

This transaction should induce our banking institutions in the country to have, in the first place, a burglar proof safe (as made by Bacon, New Haven, Conn., and by Yale, Philadelphia), and secondly, to keep a guard in the banking-house at night.

ADROIT ROBBERY OF A BANK.—The New Haven Bank of New Haven, was robbed of \$2,200 in Eastern Bank bills on the 27th of July, in a most adroit manner. A stranger, of gentlemanly appearance, entered the bank while the cashier and teller were absent at dinner, and asked the clerk for paper to write a letter. The clerk stepped from his desk, in the rear part of the room, to the counter, and handed him both paper and pen; then returned to the desk again without taking any farther notice of him. The stranger went to the end of the counter and wrote some minutes, and then left the bank without exciting the least suspicion on the part of the clerk or book-keeper,

who were the only persons then present—cashier and teller being absent to dinner. In the afternoon, upon making up the cash account, a package of \$2,200 of Eastern funds was missing, and no doubt the light-fingered gentleman spoken of was the possessor of it. The clerk did not notice that he left the counter while in the bank, and as the distance from the counter to the table where the money lay was nearly six feet, it was supposed that he must have taken the money as he went out.

MISCELLANEOUS ITEMS.

San Francisco Finances.—The treasurer of San Francisco makes the following statement as to funding the floating debt of the city:

The amount of bonds outstanding on the 31st May, 1857, as stated in our report dated June 1st, 1857, was.....	\$1,478,000 00
During the year there has been redeemed.....	28,200 00
Leaving outstanding on the 31st ultimo.....	\$1,449,800 25
The investment and cash on hand on the 31st ultimo, as appears by the statement appended hereto, was.....	116,715 00
There was due from the city at that date, on the requisition of 1856....	87,760 00
And on the requisition of 1857.....	80,820 00
	\$285,295 25
Deduct for coupons not presented, but due.....	30,555 00
	\$254,740 25

SUBMARINE TELEGRAPH.—Mr. Snowden, Director of the Mint, has suggested a medal for those engaged in the laying of the submarine cable; his letter is as follows:

MINT OF THE UNITED STATES, Philadelphia, Aug. 17.

To the Board of Trade of Philadelphia.

Gentlemen:—I venture to suggest to the Board of Trade, that under its auspices, an appropriate medal be struck to commemorate the successful laying of the Telegraph Cable from Europe to America; and that the head of our distinguished Morse, the inventor of the Telegraph, be placed on one side of the medal.

Great military achievements have been commemorated by medals; but here is a peaceful event more illustrious than any which war has produced. In the language of the President of the United States, "It is a triumph more glorious, because more useful, than was ever won by the conqueror on the field of battle."

If this suggestion should be favorably received by your Board, I will, if required, lend whatever assistance may be in my power to carry it into effect.

I am with great respect,

Your obedient servant,

JAMES ROSS SNOWDEN.

FIRE INSURANCE STOCKS IN NEW YORK.—The recent decline in Insurance Stocks has attracted attention. We copy from Satterlee's Circular the following explanation of the decline:

In investment securities, the greatest variation in quotations is in the list of "Fire Insurance Stocks," for which there are almost no bidders; maintaining for a long period, very generally, remunerative rates of premiums, they have paid dividends that compensated for the hazard of the investment, and rendered them favorite stocks. This state of affairs is now changed by deductions from their tariff of rates uncalled for by the public and unjust to the shareholders, and which threatens a ruinous competition, unless promptly checked by the action of the stockholders, instructing their officers to adopt such course as will avert the inevitable depreciation of their property.

This discord of action, producing a little panic among stockholders and a daily decline in the stocks of the companies, should not, we feel assured, impair the full confidence so justly accorded to a large majority of our insurance officers, but is attributable to a few, whose shortsighted and ignorant action perils the interests of their stockholders, to whose attention their course is respectfully commended.

EFFECT OF THE ATLANTIC TELEGRAPH ON THE COTTON TRADE.—We find in the Circular of Mr. Wm. P. Wright the following reference to the probable effect of the Atlantic Telegraph on the cotton trade :

"The effect of this new agency will be the equalization of the market, and diminished chances for those serious losses which periodically occur in the Liverpool Cotton Trade. A new system of purchasing to arrive in Liverpool, by classification or sample, will soon be adopted, and there will be an increase of the transitu business in this city. New York will receive less cotton direct from the South, except from points where there is no other outlet, but her position as cotton centre will be vastly improved by the receipt of orders from the manufacturers of England and France.

"Spinners and others in Europe will soon discover how much their interests can be served by the free use of the telegraph, and how admirably adapted the transit business of New York is in ordering cotton to arrive with them at once, in a month, or in two or three months, thereby making a large saving in interest, and enabling them to secure at once a supply of the raw material, to fill even extensive contracts for goods and yarns. The transitu business of this city has been found to work well for four or five years, and is now capable of great increase, and it may not be too bold to predict, that the day is not far distant when the bulk of the cotton trade between Europe and America will be transacted in floating cargoes represented by classification through the agency of the electric telegraph."

MANUFACTURES OF THE UNITED STATES.—A condensed view of the manufacturing interests of the United States is now in preparation under the management of Mr. J. C. G. Kennedy, formerly Superintendent of the Census. This work has been postponed too long to be of much practical value, but will be acceptable even at this late day. According to the *National Intelligencer*, the digest now in course of preparation will exhibit the amount of capital invested: the quantity, kind, and value of the different raw materials used in the process of manufacture; the kind of power by which the machinery is propelled; the number of persons of each sex employed, with their monthly wages, and the annual product in quantity, kind, and value. The form of the schedule upon which these particulars were taken and the returns made we have examined, as we have the printed instructions prepared for the census taker; and judging from the simplicity of the plan, the clearness of the instructions, the completeness of the returns, and the care devoted to their compilation, we feel assured that the results, when published, will be entitled to as much confidence as can be accorded to any statistical work whatever, and will demand as much reliance upon their credibility as that which has been awarded to the returns of agriculture and population.

Arrest of Counterfeiters of United States Coin in New York—Seizure of Dies, Metal, and other Apparatus.—Two Sicilians, named Antonio Modica, *alias* Farritano, and Conduata Nunari, residing, the first in the tenement house No. 189 Mott street, the other in a house of a similar description adjoining, were arrested on the 9th inst., charged with manufacturing and uttering counterfeit United States coin. The officers searched the house No. 189 unsuccessfully for some time, but finally found, concealed under the floor, several hundred bogus quarter and half dollars, together with a small press, moulds, dies, and all the apparatus necessary for carrying on the nefarious business. On being taken to court, about \$30 in counterfeit quarters was found on the person of the woman Nunari, some of which she endeavored to get rid of by passing them to a friend who stood by, who in turn threw them out of the window; but the act was noticed and the coin was recovered. Several dollars in good coin, mostly three, five, and ten-cent pieces were also found on the person of this woman, and these she probably received in exchange for bogus money which she has passed. The two prisoners undoubtedly worked together, as they have frequently been seen late at night in each other's company. The officers also ascertained that Antonio had recently prepared a lot of coin as samples, which he intended to send to other cities, in order that the circulation might be extended. The counterfeiting is admirably performed, and but for the lightness of the coin, would scarcely fail to deceive the generality of people.

A man named Antonio Menaldi, who has frequently been seen in company with the other two, and a lad about seventeen years of age, who has frequently been present while the coin was being made, were also arrested, and, with the others, taken before the United States Commissioner, who locked them up for examination. The boy states that the prisoner Modica has threatened to kill him if he ever divulged any thing about the matter.

MUTILATED BANK NOTES.—The question in regard to the value of mutilated bank notes, and the best method of preventing fraud in that connection, has latterly become important. Formerly, it was the custom for the banks to redeem all parts of bills which contained sufficient of the signatures, &c., to secure identification; but adroit rogues took advantage of this, and by skilful manipulation easily made five bills out of four, and secured the redemption of the whole. If one of these five bills were paid, on the same principle neither of the others could be refused. The process of manufacture was very simple, and by decreasing the proportions, as was done in the higher denominations, the bills were readily circulated. Thus, if six bank notes of the denomination of \$10 were operated on, the disfigurement effected by the change would not be very great. The operator first carefully tears off one-sixth of the first bill; the remainder will easily pass; he then tears off two-sixths of the next bill, and supplies its place with the one-sixth which is taken from the first; three-sixths is taken from the third note, and its place supplied with the piece taken from the second; and so on to the last. He has thus seven bills of ten dollars each; two of them minus a piece at one end (one at the right, and one at the left-hand of the bill,) and the other four each with a single seam from which a similar piece has been taken. Mixed with other notes, these mutilations readily pass without detection, or at least are not rejected if the bills are upon some well known bank. The bank department redeems all notes upon which the number and register's signature are perfect, and properly rejects all others. The banks belonging to the association in New York city, and represented at the Clearing House, have just passed a resolution to refuse payment of all mutilations where the intent to defraud is fairly presumable, and thus to allow suit to be brought, which they will defend in common, to test the law on this subject.

BANK ITEMS.

NEW YORK.—The Niagara County Bank, Lockport, refused recently to pay gold on a package of their notes. They were protested, and returned to the Superintendent of the Bank Department for payment. In relation to this matter the Cashier of the Bank states:

Editors Commercial Advertiser:

LOCKPORT, July 29, 1858.

A Buffalo broker presented a package of our bills yesterday. We offered him a sight draft on New York or Albany, which he maliciously refused.

S. R. DANIELS, Cashier.

The Niagara Bank will perhaps find, ere long, that sight drafts on New York are not a legal tender. The bills are clearly worth what they profess to represent, but a draft on New York might be returned for non-payment, and the holder would be a general creditor instead of a holder of bills, having a claim on the Bank Department for indemnity in such a case.

Syracuse. Oliver T. Burt was elected President of the Central City Bank, Syracuse, on the 8th of June last, in the place of Joseph Candee, resigned; James M. Ellis, Vice President, in place of O. T. Burt; George Barnes, Cashier, in the place of James M. Ellis, resigned.

MASSACHUSETTS.—A. W. Thaxter, Jr., Esq., has been elected President of the Traders' Bank, Boston, in place of Mr. Parker, deceased.

RHODE ISLAND.—The *Providence Journal*, August 10th, remarks as follows respecting the law requiring the banks to give a fortnightly statement of their condition to the State Auditor:

"This law has proved very acceptable, both to the public and to the well-conducted banks, and since the weeding which these institutions have undergone within the last year, we hope that this designation may fairly cover the whole of them. The returns keep the public advised not only of the condition of the banks which supply the currency, but they furnish reliable indications of the course of trade, and of the amount of business that is going on.

"The average rate per cent. of the semi-annual dividends of the banks in Providence, previous to the reports, is 3·67; of the banks out of Providence, 3·38; of all the banks in the State, 3·61. This makes the annual rate of dividend 7·22. Taking into consideration the commercial crisis and the great losses of last year, and the general depression of business, this presents a very favorable account of the moneyed institutions of the State."

CONNECTICUT.—The Superior Court of Fairfield County, Conn., on complaint of the Bank Commissioners, has appointed Frederick S. Windham of Danbury, and William A. Judd of Bethel, Receivers of the Hatters' Bank of Bethel, and creditors of the bank are notified to present their claims at its banking-house in Bethel on or before the 20th of November next.

NEW JERSEY.—Mr. C. J. Graham, cashier of the Newark City Bank, has tendered his resignation, to take effect on the 15th of September, and it has been accepted by the directors.

PENNSYLVANIA.—The McKean County Bank, Penn., we learn by *The Potter County Journal*, suspended a few days ago. The cashier decamped with \$71,000 of its funds, was arrested in New York, and committed in default of bail. The bills of the bank have been thrown out in New York. Mr. Kingsbury, its President, says *The Journal*, will secure the holders of its issue against loss, being able and willing to do so.

New Banks.—Several new notices of intended applications for new Bank charters have appeared, though they are not nearly so numerous as they were in July 1857, or July 1856. The following comprises all that we have seen:—

NAME OF BANK.	LOCATION.	CAPITAL.
Farmers' Bank,	Mount Joy.....	\$100,000
State Bank,	Harrisburg.....	200,000
Mineral Region Bank,	Lykenstown.....	100,000
Tanners' and Miners',	Connellsville.....	100,000
Huntingdon Co. Bank,	Huntingdon.....	100,000
Media Bank,	Media.....	100,000

In addition to these, the Dauphin Deposit Bank gave notice of an intended application for a renewal of their charter, with general banking privileges, and an increase of capital to \$200,000; the Hanover Saving Fund Society, for a renewal of their charter; and the Bank of Delaware County design asking for a law providing for an agency at Media.

VIRGINIA.—The Bank of the Commonwealth, which has recently been organized, will commence business about the first of September. With the judicious selection which has been made on the part of the stockholders, in electing gentlemen of acknowledged ability to discharge the important duties intrusted to their charge, and their known business qualifications, we predict for the stockholders a safe and profitable investment. There has been already subscribed and paid in about three hundred and fifty thousand dollars, but we will not be satisfied till the maximum capital of one million has been taken, and to that end we call on the Free Banks of the State to step forward and make their subscriptions. We call the attention of our country friends to the fact that they can pay three-fourths of their subscription in State stock at par. We hope, therefore, they will lose no time in sending in their names, in order that the entire capital of one million may be made up before the first day of September. We hope to hear that our own citizens, some of whom have already subscribed liberally, will not be backward, but will double their subscriptions, if necessary, to effect this object. The Bank may, by its charter, extend its capital to two millions, should it be deemed advisable to do so.—*Richmond Despatch*.

GEORGIA.—Condition of the Georgia banks, made in compliance with the proclamation of the Governor, October 1, 1857:

	<i>Circulation.</i>	<i>Specie.</i>
Bank State of Georgia,.....	\$1,112,588	\$292,897 25
Bank of Commerce,.....	135,914	40,037 88
Bank Savannah,.....	386,683	111,177 93
Marine Bank,.....	377,508	211,447 26
Merchants and Planters' Bank,.....	209,379	70,814 30
Mechanics' Savings Bank,.....	278,936	29,587 00
Planters' Bank,.....	329,807	86,892 87
Central R. R. and Banking Co.,.....	147,579	67,590 62
Aug. Ins. and Banking Co.,.....	76,660	31,448 96
Bank of Augusta,.....	310,040	42,524 13
City Bank,.....	318,627	101,149 53
Mechanics' Bank,.....	310,564	103,709 91
Union Bank,.....	163,205	41,007 85
Geo. R. R. and Banking Co.,.....	675,462	50,209 01
Manufacturers' Bank,.....	67,208	21,409 10
Bank Middle Georgia,.....	44,869	19,024 48
Total,.....	\$4,944,958	\$1,320,429 09

Georgia Bank Returns.—Governor Johnson of Georgia has issued his proclamation that certain banks specified "have wholly neglected and refused to make their returns as required by the positive mandate of the statute of 1857, (the benefits of which in the protection of their charters from forfeiture, have been realized by such of the above mentioned banks as were lately in a state of suspension,) and have utterly disregarded the will of the Legislature, set themselves above the authority of the law, and stand in open violation of its command.

"I do therefore issue this my proclamation, publishing, as directed by the statute, the names of the before mentioned delinquent banks. And I do hereby notify the Treasurer of this State of said delinquent banks; and I do moreover proclaim and make known that the bills of said delinquent banks will not be received at the Treasury of this State in payment of any debt due the State of Georgia, or the Central Bank, until the president and cashier of each of said delinquent banks respectively, shall have complied with the law, and shall have made such return as the statutes require."

The following are the banks omitted from the proclamation of his Excellency, and whose issues are available at the State Treasury: The Central Railroad and Banking Company; the Georgia Railroad and Banking Company; the Bank of Savannah; the Bank of Augusta; the Bank of Fulton; the Bank of Athens; the Manufacturers' Bank at Macon; the North Western Bank at Ringgold.

IOWA.—The Commissioners of the State Bank of Iowa met at Iowa City on Wednesday, the 28th July. The following gentlemen appeared: C. H. Booth, of Dubuque; E. H. Harrison, of Lee; E. Clark, of Johnson; W. J. Gratling, of Polk; C. W. Sagle, of Jefferson; Elihu Baker, of Linn; W. S. Dart, of Mahaska, and E. T. Edington, of Lucas; and the following were absent: L. W. Babbit, of Pottawattomie, and J. W. Dutton, of Muscatine; the latter being detained at home by the illness and subsequent death of an only child.

The commission remained in session until the evening of the 30th, Ezekiel Clark, of Iowa City, having been appointed President, and Mr. Mason, of Muscatine, Secretary, and then adjourned to meet again on the 15th of September, after providing for the publication of a proper public notice, calculated to reach every portion of the State.

The discussions before the Board were of a most interesting character, generally pertaining to the construction of certain portions of the Bank Act, and having a tendency to elicit the views of the members respecting the course of policy to be pursued. It became evident that the Legislature had acted wisely in the selection of men to the important position of Commissioners, and that the State, most probably, will have cause to be thankful that so much business tact, general intelligence, and cautious prudence, have been concentrated to take the initial steps for our banking system.

Applications, or notifications of intention to apply, were received from Council Bluffs, Washington, Lyons, Camanche, and Oskaloosa. Others will be presented at the next meeting from Dubuque, Muscatine, Cedar Rapids, Keokuk, Mount Pleasant, Des Moines City, Fairfield, Chariton, Burlington, and Davenport.—*Davenport Gazette*.

INDIANA.—Thomas H. Sharp, Esq., for many years Cashier of the State Branch Bank of Indiana, at Indianapolis, was on the 6th of August elected President of the Branch of the Bank of the State of Indiana, at Madison.

Dividends.—At the regular quarterly meeting of the Directors of the State Bank of Indiana, held at Indianapolis on the 12th inst., the following dividends were declared: The Branches at Fort Wayne, Terre Haute, Vincennes, Indianapolis and Evansville, 10 per cent.; Lawrenceburg and South Bend, 20 per cent.; Madison, 5 per cent. It is now demonstrated that the State of Indiana will realize about two million dollars clear profits through its connection with this Bank and the Sinking Fund.

The Old State Bank of Indiana.—James M. Ray, cashier of the State Bank of Indiana, gives notice through the Indianapolis papers, that on the first day of January next, the charter powers of the State Bank of Indiana will cease, and no provision for the redemption of the notes of the Bank which may be left outstanding has been made.

KANSAS.—The Kansas Valley Bank is now reorganized, and in successful operation. Samuel C. Pomeroy, Esq., President; G. H. Fairchild, Esq., (for some years Cashier of the Waverly Bank, N. Y.) Cashier. The Capital authorized by its charter, is \$300,000, of which \$52,000 has been paid in. Their New York correspondent is the Importers and Traders' Bank.

LOUISIANA.—The Citizens' Bank of Louisiana has declared a semi-annual dividend of ten per cent., and the Louisiana State Bank, five per cent. 110 shares of the former bank sold at 190. Its shares are now higher than those of any bank in the United States, except the Chemical Bank, New York, which are held at 300 per cent.

MISSOURI.—The subscription books of the Merchants' Bank of St. Louis and Bank of Missouri are now open, the former at the Bank of America, and the latter at the Bank of Commerce, New York, and a large portion of the amount asked for subscribed. Within a few years the banking capital of St. Louis, as well as Kentucky, has received liberal accessions from capitalists in this city and through New England.

The stock of the Bank of the State of Missouri has for some years paid over ten per cent. dividends, and is now among the most substantial in the West. The stock of the Bank of Kentucky, Farmers' Bank of Kentucky, and the Northern Bank of Kentucky, all command a liberal premium, paying annually from 10 to 12 per cent. dividend.

St. Louis.—The State Savings Institution, St. Louis, (Isaac Rosenfield, Jr., Cashier,) has declared a dividend of six and a half per cent. on its capital stock (\$800,000) out of the net earnings of the last six months. At the beginning of the period covered by this dividend, but 53½ per cent. of the capital stock had been paid in. The dividend is declared on the whole amount of stock. This Bank was one of the few which maintained specie payments during the crisis of 1857.

OHIO.—The Cincinnati *Gazette* says that the Bank of the Ohio Valley, which is the name given to the proposed Clearing House, it is now stated, will not go into operation before the first of September. There appears to be a desire to secure the co-operation of leading banks in the neighboring States, and this is one reason why the time for commencing business has been postponed. It is certainly important that the Indiana and Kentucky banks should unite in this enterprise; for its success as a Clearing House, in fact, must depend upon such a union. As an exclusively Ohio institution, it would fail to accomplish the object it had in view when the organization was first proposed. W. A. Goodman, Esq., of Cincinnati, has been elected cashier.

Tax Law.—As an illustration of Ohio legislation, we notice the late Tax Law in regard to banks and bankers. The Cincinnati *Gazette* of Aug. 5th, states that:

"Our bankers have at last been able to make their returns to the County Auditor, for taxation, under the new law. For more than two months, bankers, lawyers, and officials have been endeavoring to get at the meaning of the law, but no one could be found capable of interpreting it intelligently, and it was finally deemed best to compromise the matter by permitting the bankers to return their capital instead of their

average discounts. This, evidently, was not the intention of the legislature, but owing to the bungling and stupid manner in which the statute was drawn up, it began to appear as the matter was investigated, that no taxes whatever could be collected of bankers, if they should resist, as they unquestionably would, had the first construction of the law been insisted upon. As the matter stands, the bankers are fairly taxed, and it is therefore fortunate, perhaps, that the law was not carefully prepared; had the intention of its author been carried out, most of the leading discount houses would have been taxed out of existence. Groesbeck & Co., for example, with a capital of about half a million, would, had they been required to return their average discount, have paid a tax of over twenty thousand dollars. Such a burthen as this, few capitalists would be willing to bear.

TENNESSEE.—It is stated that the Bank of Tennessee resumed the payment of specie on the 7th of August. All the leading banks in the State are now in a state of resumption, and furnishing exchange on all the principal cities of the Union at reasonable rates.

Memphis.—The Citizens' Bank at Memphis, has failed, and its banking-house sold.

Bank of America.—Considerable excitement has prevailed throughout the country in relation to the issues of this bank, located at Clarksville, and quite a run has been made on it. So far as we are informed, every demand made on this bank has been promptly met. The Southern Bank at Memphis, redeems the issues of the Bank of America. The former Bank has hitherto used almost exclusively the bills of the latter Bank in the transaction of her business here. The bills of the Bank of America are taken on deposit and in payment of notes by the banks of this city. We are informed by the President of the Bank, W. D. Davie, Esq., that since the following statement was made out the circulation has been reduced to \$160,000.

WISCONSIN.—In reference to the Free Bank Currency of Wisconsin, the following card appears from the Chicago Bankers:

Wisconsin Currency.—Chicago, Aug. 17, 1858.—We, the undersigned, Bankers of Chicago, in view of the large increase to the circulating medium of this State by the organization of numerous banks of issue in the State of Wisconsin, located at inaccessible points, having no capital, doing no banking business, providing no means whatever for the redemption of their issues, and in many instances having not even an office or known place of redemption; and believing that a continuance of this system will eventuate in loss to the community, and that now is the most appropriate time to adopt measures to remedy the present evil and to correct the further abuse of it, hereby agree from and after this date to discontinue taking the notes of the following Banks, viz:

Arctic Bank, Eagle Point.
Bank of Eau Claire, Eau Claire.
Bank of La Point, La Point.
Bank of Manitowok, Manitowok.
Bank of Moneka, Gordon.
Bank of North America, Superior City.
Bank of Oconto, Oconto.
Chippewa Bank, Pepin, Dunn County.
Clark County Bank, O'Neillsville.
Laborers' Bank, Eliseide.
Lumbermen's Bank, Conterette.
Manitowok County Bank, Two Rivers.
Marathon County Bank, Eagle River.
Mercantile Bank, Beaver Dam.

Northern Wisconsin Bank, Aurora.
Oakwood Bank, North Pepin.
Oconto County Bank, La Porte.
Oneida Bank, City of Berlin.
Shawanaw Bank, Shawanaw.
State Security Bank, Glenekon.
State Stock Bank, Eau Claire.
St. Croix River Bank, Brinckerhoff.
St. Croix Valley Bank, St. Croix Falls.
Tradesmen's Bank, Eagle Lake.
Waupacca County Bank, Waupacca.
Wisconsin Valley Bank, Millville.
Wisconsin Pinery Bank, Seven's Point.

Signed by Geo. Smith & Co.; H. A. Tucker & Co.; I. H. Burch & Co.; B. F. Carver, Cashier; D. T. Holt, Cashier; Hoffman & Gelpcke.

The Wisconsin bills are secured by the same character of collaterals as those of Illinois—viz: by Virginia and Missouri Stocks, which are taken at a margin below the New York valuation, and the same causes that affect one will affect the other. The latest report of the condition of the Wisconsin banks exhibits the following state-

ment of the kinds and amounts of state securities deposited by the Comptroller as the basis of the issues of those banks.

California State Stock 7 per cent	\$49,000
Georgia do 6 do	35,000
do do 7 do	20,000
Illinois do 6 do	598,000
Iowa do 7 do	10,000
Indiana do 5 do	143,000
Kentucky do 5 do	14,000
do do 6 do	25,000
Louisiana do 5 do	10,000
do do 6 do	175,000
Michigan do 6 do	14,000
Missouri do 6 do	2,324,000
N'th Carolina do 6 do	214,000
Ohio do 6 do	226,000
Pennsylvania do 5 do	14,000
Tennessee do 6 do	755,000
Virginia do 5 do	171,360
do do 6 do	314,000
Wisconsin do 6 do	100,000
Mil. & Wat. R. R. Bonds, 8 per cent	50,000
Racine & Miss. R. R. Bonds, 8 per cent	27,000

Total.....	\$5,890,100 00
Specie (including closed banks).....	214,664 83

Aggregate.....\$ 5,605,764 83

It will be seen by these returns that the circulation of Wisconsin is carefully protected. No fears need to be felt as to its prompt redemption.

At a meeting held the 17th day of August, 1858, at the Bank Comptroller's office, in the city of Madison, by those interested in the banks of Wisconsin, M. D. Miller, President of the Wisconsin Bank, was called to the chair, and John Wright was appointed Secretary.

The following banks were represented by their officers or owners :

State Bank, Dane County Bank, Wisconsin Bank, Bank of the Capital, Madison; Tradesmen's Bank, Lumbermen's Bank, Clark County Bank, Northern Wis. Bank, Shawanaw Bank, State Stock Bank, Oconto County Bank, St. Croix River Bank, Marathon County Bank; and the following by their attorneys: Arctic, Chippewa, Mercantile, North Western, Oakwood, Laborers' and Wis. Pinery.

The following resolutions were unanimously passed:

Resolved, That we will receive as currency at par, the notes of all such Wisconsin banks, as will redeem their circulation, either at Madison or Milwaukee—in New York exchange, at one-fourth of one per cent. less than the current selling rate at such places.

Resolved, That notice be given to all banks located at inaccessible points for redemption, that the notes of such banks as refuse to comply with the foregoing arrangement, will be assorted for *convertible purposes*.

N.B.—Van Slyke, of Dane County Bank, Samuel Marshall, of State Bank, and J. M. Dickinson, of Bank of Capital, were appointed a committee to notify the banks of the passage of the above resolutions.

Boston.—The Bank of Mutual Redemption commenced business at Boston, August 23d, with a capital of \$502,500, all paid in. The officers are James G. Carney, President, and Henry P. Shield, Cashier. The Board of Directors consists of thirteen members, all of whom are directors of banks in different parts of New England, and nine of whom are directors of Massachusetts Banks. There are four representatives of Boston banks in the Board, viz.: Messrs. Geo. W. Thayer, President of the Exchange Bank; A. W. Thaxter, Jr., President of the Traders' Bank; Thomas W. Pierce, Director in the Bank of Commerce, and Ezra Farnsworth, director in the National Bank.

PRIVATE BANKERS.

OHIO.—Messrs. P. Kinney & Co., bankers, Portsmouth, Ohio, offer to make collections throughout the West; and refer to Messrs. Winslow, Lanier & Co. (*See their card on the cover of this work.*)

IOWA.—Messrs. George Laswell & Son, bankers, Ottumwa, Wapello County, Iowa, make collections throughout that State, &c, and refer to the American Exchange Bank. (*See their card on the cover of this work.*)

NEW YORK.—Messrs. Davis & Birney, whose banking and collection office is at No. 25 South Third Street, Philadelphia, have established a branch of their house at New York, under the style of Messrs. Birney & Davis.

FAILURE AT PITTSBURGH.—The public mind was startled, yesterday, with the announcement of the failure of the Banking House of Arthurs, Rodgers & Co., doing business on the corner of Fourth and Smithfield Streets. No cause was assigned for the failure, and we understand that the concern had but few depositors. Those few will, however, lose nearly all the deposits.

The Treasurer of the Guardians of the Poor, we believe, kept his account with this firm; but we learn that there will be but little, if any, lost.—*Pittsburgh Gazette*, August 4.

In order to furnish information to bankers and those who have frequent occasion to ascertain, at this office, the names of responsible banking firms in the interior, the publisher of this work will hereafter keep in his office "A REGISTER OF PRIVATE BANKERS IN THE U. S.," containing printed cards of bankers in various cities, with the names of their references. This will show, 1. The style of the firm; 2. Individual names of partners; 3. The location and county of each; 4. Their references (or parties in the Eastern cities on whom they draw). For the convenience of merchants and bankers in New York, Boston, Philadelphia, Baltimore, &c., this Register will be available at all times. Those banking firms who wish their names registered will please send their PRINTED CARDS (*not printed circulars*) for this purpose.

Collections in the South and West.—Several new banking houses have commenced operations lately. The cards of these may be found on the cover of this work, and a complete list of all the banking houses, as well as of all the banks in the United States, may be found in the "Merchants and Bankers' Register," for 1858, published early in February, the second edition of which is now published. The cards of bankers in the following places may be found on the cover of this magazine:

MASSACHUSETTS.—Boston.—NEW YORK.—New York City, Buffalo.
 PENNSYLVANIA.—Philadelphia, Pittsburg, Scranton.—MARYLAND.—Baltimore.
 DISTRICT OF COLUMBIA.—Washington.
 VIRGINIA.—Fredericksburg, Lynchburg, Richmond.
 ALABAMA.—Mobile, Montgomery.
 CALIFORNIA.—Sacramento.
 ILLINOIS.—Beardstown, Chicago, Dixon, Kewanee, Moline, Peoria, Peru, Port Byron, Rockford, Quincy, Springfield, Sterling.
 INDIANA.—New Albany, Richmond.
 IOWA.—Burlington, Cedar Rapids, Clinton, Council Bluffs, Chariton, Clinton, Fairfield, Davenport, Des Moines, Dubuque, Fort Dodge, Iowa City, Keokuk, Muscatine, Ottumwa, Sioux City.
 KENTUCKY.—Lexington, Louisville.—LOUISIANA.—New Orleans.
 MICHIGAN.—Battle Creek, Grand Rapids.
 MINNESOTA.—Minneapolis, St. Paul, St. Anthony.
 MISSOURI.—Boonville, Glasgow, Hannibal, St. Louis.
 OHIO.—Cincinnati, Cleveland, Newark, Portsmouth, Sandusky, Toledo.
 TENNESSEE.—Nashville.—TEXAS.—Galveston, San Antonio.
 WISCONSIN.—Milwaukee, Mineral Point, Sheboygan, Fond du Lac.
 CANADA.—Kingston, &c.

Notes on the Money Market.

NEW YORK, AUGUST 26, 1858.

Exchange on London, at Sixty days' sight, 9½ a 9¾ premium.

The money market for the month of August shows increasing capital available for business purposes, and extremely low rates for loans. Business paper of the best stamp is taken at 4 a 5 per cent.; good single names at 5 a 6 per cent., without any large amounts offering outside the banks. Loans on call, with prime collateral securities, are quoted at 4 a 5 per cent.; and ordinary stock loans 6 a 7 per cent.

The chief financial feature of the month was the negotiation on the ninth instant of the new five per cent. Treasury loan of ten millions of dollars. The bids amounted to thirty-eight millions: those accepted ranging from 104.12½ to 107.03; viz —

At 106.00 a 107.03.....	\$26,000
At 105.00 a 106.00.....	4,860,000
At 104.14 a 105.00.....	4,896,000
At 104.12½.....	228,000
Total loan due 1873.....	\$10,000,000

The new issue was largely taken for account of savings institutions and trust companies, holding heavy amounts on deposit.

The absorption of ten millions in gold by the Treasury has temporarily reduced the specie reserve of the banks, which in this city now amounts to nearly thirty millions. We annex the banking movement for the past eight months:

1858.	Loans.	Circulation.	Deposits.	Sub-Treasury.	Bank Specie.	Total Specie.
Jan. 30,	102,180,000	6,369,600	83,997,000	3,282,500	31,273,000	34,561,500
Feb. 6,	103,602,900	6,873,000	86,000,000	3,168,700	30,652,900	33,821,600
Mar. 6,	105,021,000	6,854,000	90,382,000	2,996,700	32,739,700	35,736,400
April 3,	110,588,000	7,232,000	93,589,000	5,548,000	31,530,000	37,078,000
April 24,	111,003,000	7,140,000	95,340,000	3,695,000	34,113,800	37,808,800
May 1,	111,863,000	7,431,000	98,438,000	3,145,400	35,064,200	38,209,600
June 5,	116,424,000	7,548,000	101,439,000	5,263,300	32,790,300	38,053,600
July 3,	119,812,000	7,453,000	106,803,000	5,820,000	33,830,200	39,650,200
July 10,	118,863,000	7,571,000	106,429,000	5,342,200	34,705,600	40,647,800
July 17,	119,164,000	7,346,000	107,101,000	5,157,600	35,322,200	40,485,800
July 24,	118,940,000	7,351,000	105,490,000	5,336,000	35,515,000	40,851,000
July 31,	119,850,000	7,408,000	106,456,000	5,144,000	35,712,000	40,850,000
Aug. 7,	120,892,000	7,784,000	107,454,000	5,553,000	35,145,000	40,698,000
Aug. 14,	123,374,000	7,588,000	105,034,000	12,886,000	31,150,000	44,636,000
Aug. 21,	126,368,000	7,480,000	104,609,000	17,739,000	28,349,000	46,089,000
Compared with the third week in August, 1857, the loans and other items are now as follows:						
1857,	120,139,000	8,694,000	89,364,000	12,411,000	10,097,000	22,599,000
1858,	126,368,000	7,480,000	104,609,000	17,739,000	28,349,000	46,089,000

From an examination of the weekly reports of the banks of Boston, Philadelphia, Pittsburgh and other cities, it would seem that there is in each a gradual expansion in loans and deposits. This enlargement is a sure index of renewed activity in business and of an early recovery from the revulsion of 1857 and its disastrous effects.

The financial and commercial world has been considerably excited during the month of August by the successful attempt at laying the Atlantic Submarine Cable. The success of the effort, anticipated really by few persons, was made known throughout the country on the 16th of the month. The results of this important enterprise will be very great upon commerce and upon the social and political condition of the world. It will, we think, give a vast impetus to commercial transactions throughout Europe and America.

The stock market at New York is well sustained by the increasing abundance of capital. Some few shares are held at higher prices than their intrinsic value, while State Loans, which are among the most solid securities offered, are generally very low. The Government Five per Cents. are held at 103½ a 106, including interest to 1st January next. In Ohio Sixes there are few transactions, the short loans being held at 101½ a 102, and their Five per Cents. at 95 a 96. Ohio, Georgia and Kentucky Sixes are quoted at or above par. Indiana and Pennsylvania Fives at present prices are equivalent to a premium of 4 a 6 per cent. for a 6 per cent. bond. The bonds of the State of Missouri are for the moment unfavorably affected by the rumors respecting the Wisconsin banks; but this temporary decline will, we think, soon be converted into renewed confidence. We now annex the current rates of leading bonds for the past eight weeks:

	July 2d.	9th.	16th.	23d.	30th.	Aug. 6th.	13th.	21st.
U. S. 6 per cents. 1867-8.....	112½	112	114	114	114½	114	—	114
U. S. 5 per cents. 1873.....	—	—	—	—	—	—	104	103½
Ohio 6 per cents. 1886.....	105	106	—	108	107	106	103	107
Kentucky 6 per cents.....	106	106	104	104	104	104	104	104
Indiana 5 per cents.....	87½	87	87½	87½	87½	87½	88	88½
Pennsylvania 5 per cents.....	89½	89½	89½	89½	89½	89½	89½	89½
Virginia 6 per cents.....	95	92½	93	93	92½	92½	92½	92½
Georgia 6 per cents.....	101	101	98	100	98	98	100	100
California 7 per cents. 1870.....	85½	85½	86	86½	86½	86½	85	85½
North Carolina 6 per cents....	99½	96	96	96½	96½	97	96½	96
Missouri 6 per cents.....	87½	84½	85½	85½	85½	85½	85½	84½
Louisiana 6 per cents.....	96	96	90	93	93	93	93	93
Tennessee 6 per cents.....	94	91½	92	93	93	92½	92½	91½

The market for railroad shares has been materially depressed throughout the year by the financial difficulties and bad management of many companies whose floating debts and heavy bonded indebtedness act as a clog upon their operations. The quotations annexed of fifteen roads, whose shares are largely dealt in, are a melancholy commentary upon railroad management. It is thought that some of the roads named, from the low prices of their shares and bonds, will, ere long, pass into the hands of the bondholders. The reduced business of the year, compared with 1857, and an unfortunate competition among the leading roads as to rates of fare, serve for the present to drive prices down to very low figures. We annex the current quotations of the last eight weeks:

	July 2d.	9th.	16th.	23d.	30th.	Aug. 6th.	13th.	21st.
N. Y. Central R. R. shares.....	82½	84	85½	85½	85½	80½	77	77½
N. Y. & Erie R. R. shares.....	17½	18	18½	18	18½	17½	16½	17½
Harlem R. R. shares.....	10	10	10½	11½	11½	11½	10	10½
Reading R. R. shares.....	44	46½	46½	45½	49	48½	47	47½
Hudson R. R. shares.....	26½	26½	28½	28½	28½	28½	27½	27
Michigan Central R. R. shares..	52½	59	52½	59½	62	59½	59	57½
Michigan Southern R. R. shares,	21½	22	23½	23½	24	23	22½	22½
Panama R. R. shares.....	107	103½	104½	105½	111	114½	112½	113½
Baltimore & Ohio R. R. shares,	57	56½	57	60½	62	60½	60½	57½
Illinois Central R. R. shares....	75	75½	76	77	74	74	74	76½
Cleveland and Toledo R. R....	32	34½	36½	36½	37½	35½	34½	34½
Chicago and Rock Island R. R.	73½	74½	76½	77½	77½	75½	74½	72½
Milwaukee and Miss. R. R.....	20½	20	18½	17	17	16	15½	15½
Galena & Chicago R. R. shares,	85	87½	88	90½	87	85½	83½	83½
La Crosse & Milwaukee R. R....	6½	5½	5	5	4½	4	4½	3½

The same causes that operate to depress the market values of railroad shares, serve to depress alike the value of second and third mortgage bonds. The demand for first mortgage bonds of leading roads is steady, and prices are well sustained, confidence being felt in them as investments of a solid character. But there is a large class of railroad bonds, especially of Ohio and Indiana roads, that will not command in this market one-half the prices current fourteen months ago. Hudson R. R. Second Mortgages are held at 88½ a 89; Third Mortgages 67 a 69, and the Convertible Seven per Cents. 60 a 62; Erie Fourth Mortgages, 56 a 59; New York Central Seven per Cents., 101 a 101½; Michigan Central Eight per Cents., 96 a 97; New York and Harlem First Mortgages, 84½ a 85½; Reading First Mortgages, 88; Second Mortgages, 76½ a 77, and the Convertible

Six per Cents, 68 a 69; Galena and Chicago First Mortgages, 96 a 97; Second Mortgages, 90 a 91. We annex the closing prices of miscellaneous securities for the past eight weeks:

	July 2d.	8th.	16th.	23d.	30th.	Aug. 6th.	13th.	21st.
Erie Railroad 7s, 1859.....	93	93½	92	91	92	90	—	89
Erie Sinking Fund bonds, '75..	32½	32	34	33	32	32½	30	31
Erie Convertibles, 1871.....	32½	32	33	32½	31	30	31	30½
Hudson River R. R., 1st mort...	102	103	101	103	103	100	101	100½
Panama Railroad bonds.....	108	—	105	103	107	107	110	110
Illinois Central 7s.....	85	87½	87½	87	88	85½	88	90½
New York Central 6s.....	89	89	89	86½	82½	89	89½	89½
Canton Co. shares.....	—	19	—	—	19	—	—	19½
Pennsylvania Coal Co.,.....	74½	75½	76½	80	79	79	76	74½
Cumberland Coal Co.....	—	—	—	18½	—	—	—	17½
Del. and Hudson Canal Co.....	97½	92½	93½	99½	99½	99½	99	98½
La Crosse Land Grants.....	34	34½	32	31½	23½	20	23½	22½
Pacific Mail Steamship Co.....	78	78	84½	90½	90½	80½	88½	84½

There has been a tendency to advance in the rates of foreign bills since the publication of our August number.

	July 26	Aug. 24.
London, 60 days, Bankers' Bills, 60 days' sight.....	109½ a 109½	109 a 109½
Do do Merchants' Bills, ".....	109 a 109½	109 a 109½
Do do Bills of Lading, ".....	108½ a 109	108½ a 109
Paris, 60 days' sight.....	5.12½ a 5.11½	5.11½ a 5.10
Antwerp, ".....	5.11½ a 5.12½	5.11½ a 5.10
Hamburgh, ".....	36½ a 37	36½ a 36½
Bremen, ".....	79½ a 80	79½ a 79½
Amsterdam, ".....	41½ a 41½	41½ a 41½

Southern bills endorsed by southern banks, have sold for this week's steamer at 109½. The demand for exchange on the Continent is light. Many of the orders that have gone out for goods have been accompanied by cash remittances, so that the aggregate indebtedness to Europe at this time is comparatively limited.

The London money and stock markets for the month of July show very little variation. The price for Consols on 1st July was 95½, the lowest price in the month, 94½; the highest price, 96½, and at the close of the month were quoted at 96½, and on 13th August, 96½ a 96½.

DEATHS.

AT BOSTON, MASS., suddenly, 27th May last, ISAAC PARKER, Esq., President of the Traders' Bank of that city, aged seventy-one years. Mr. Parker was elected President of the bank November 1st, 1841, and held the office until his death.

AT PORTLAND, MAINE, Tuesday, August 3d, ELIPHALET GREELY, Esq., aged seventy-four years, President of the Casco Bank. Mr. Greely was Mayor of Portland from 1843 to 1849. In 1825, the second year after its entering upon business, the Casco Bank elected him President, and he continued, by annual elections, to hold the office nearly thirty-three years to the time of his death; a sufficient proof of his financial skill, integrity and good judgment. He fulfilled the duties of that responsible office, to the entire approbation of the stockholders and successive Boards of Directors; and the capital stock was increased, under his administration, from \$100,000 to \$600,000.

AT LEXINGTON, KY., Friday, August 20th, MATTHEW T. SCOTT, Esq., President of the Northern Bank of Kentucky.

THE
BANKERS' MAGAZINE,
AND
Statistical Register.

VOL. VIII. NEW SERIES.

OCTOBER, 1858.

No. 4.

GENERAL BANKING LAW OF MICHIGAN.

ADOPTED FEBRUARY, 1857.

AN ACT to authorize the Business of Banking.

SEC. 1. *The People of the State of Michigan enact*, That any person or number of persons may associate to establish offices of discount, deposit, and circulation, upon the terms and conditions, and subject to the liabilities prescribed in this act; but the aggregate amount of the capital stock of any such association shall not be less than fifty thousand dollars. Three-fourths of the capital stock of any bank may be invested in public stocks, as security for its circulating notes. No bank shall take as security for any loan or discount, a lien on any part of its capital stock, but the same security, both in time and amount, shall be required of shareholders and persons not shareholders; and no bank shall be the holder or purchaser of any portion of its capital stock, or of the capital stock of any other incorporated company, unless such purchase shall be necessary to prevent loss upon a debt previously contracted in good faith, on security which at the time was deemed adequate to insure the payment of such debt independent of any lien upon such stock; and stock so purchased shall in no case be held by the bank so purchasing for a longer period of time than six months, if the same can be sold for what the stock cost, or at par.

SEC. 2. Such person or persons, under their hands and seals, shall make a certificate in writing, which shall specify:

1. The name assumed to distinguish such association, and to be used in all its dealings:

2. The place where the operations of discount and deposit of such association are to be carried on, designating the particular county, city, town, or village, at which place such person or association shall keep an office for the transaction of its business and for the redemption of its circulating notes :

3. The amount of the capital stock of such person or association, and the number of shares into which the same is divided :

4. The name and places of residences of the shareholders, and the number of shares held and owned by each of them respectively :

5. The period at which such association shall commence and terminate, and which period shall not exceed thirty years :

6. The names and places of residence of the several directors and officers, and the number of shares of the capital stock of such association owned and held by each of such directors and officers ; which certificate shall be proved or acknowledged and recorded in the office of the register of deeds of the county where any office of such association shall be established, and a copy thereof filed in the office of the Secretary of State.

SEC. 3. The certificate required by the last preceding section, to be recorded in the office of the register of deeds of the county, and filed in the office of the Secretary of State, as aforesaid, or copies thereof duly certified by either of said officers, may be used as evidence in all courts and places, for and against such person or association.

SEC. 4. Such association, when so organized, shall have power to carry on the business of banking by discounting bills, notes, and other evidences of debt ; by receiving deposits ; by buying and selling gold and silver bullion, foreign coins, and bills of exchange ; by loaning money on personal security, and by exercising such incidental powers as may be necessary to carry on such association or business : *Provided*, that it shall not be lawful for any such association to take or receive more than the legal rate of interest, in advance on its loans and discounts ; to elect from their number a board of directors not exceeding nine, who may choose out of their number president and vice president, and appoint a cashier, teller, and such other officers and agents as their business may require, and remove such president, vice president, cashiers, tellers, officers and agents, at pleasure, and appoint others in their place. The directors first elected shall hold their offices till the first Monday of June next after their election, and until their successors are elected ; and all subsequent elections shall be held annually on the first Monday of June, and the directors then elected shall hold their offices until their successors are elected. Any vacancies in the board may be filled by the remaining directors ; and if, from any cause an election for directors should not be held on the day appointed, the bank for that cause shall not be dissolved, but an election may be held on any subsequent day, thirty days' notice having been given in a newspaper printed in the county where the bank is located, and in a paper printed in Detroit. Each share shall entitle the owner to one vote, but he shall have no vote while any of his paper or liabilities are past due or unpaid. Stockholders may vote by proxy, duly authorized in writing.

SEC. 5. The shares of such association shall be deemed personal property, and shall be transferable on the books of the association in such manner as the by-laws thereof may direct ; but no transfer of stock shall be valid against the bank so long as the registered holder thereof shall be liable, either as principal, debtor, surety, or otherwise to the company,

for any debt, which shall be due and unpaid; nor in any such case shall any dividend, interests or profits be paid on such shares as long as such liabilities continue, but all such dividends, interest or profits shall be retained by the bank, and applied to the discharge of such liabilities; and no stock shall be transferred upon the books of any bank, without the consent of a majority of the directors, while the registered holder thereof is indebted to the bank; such association shall not be dissolved by the death, removal, or insanity of any of the shareholders therein.

SEC. 6. It shall be lawful for any person or association of persons organized under this act, by their articles of association, to provide for an increase of their capital, and of the number of their associates from time to time, as they may provide in their articles of association, certificates of which may be recorded in the office of the register of deeds of the county, and filed in the office of the Secretary of State.

SEC. 7. Contracts made by any such association, and all notes and bills by them issued and put in circulation as money, shall be signed by the president or vice president and cashier thereof. Every bank authorized to carry on the business of banking under this act, shall be and continue a body corporate, with succession for the period provided by the certificate of association; and by its corporate name shall be competent to contract, prosecute and defend suits and actions of all kinds, in all courts, and have a common seal and alter it at pleasure, and by its corporate name be capable of purchasing, holding and conveying any estate real or personal, subject to the restrictions contained in this act. Process against such bank shall be served on its president or cashier, or by leaving an attested copy at his banking house during banking hours, with the teller or clerk, or other officer of the bank.

SEC. 8. It shall be lawful for any such association to purchase, hold and convey real estate for the following purposes:

1. Such as shall be necessary for its immediate accommodation in the convenient transaction of its business.
2. Such as shall be mortgaged to it in good faith, by way of security for loans previously made by, or moneys due to such association.
3. Such as shall be conveyed to it in satisfaction of debts previously contracted in the course of its dealings.
4. Such as it shall purchase at sales under judgments, decrees, or mortgages, held by such association, but such association shall not bid at said sale a larger amount than is necessary to satisfy their debts and costs.

SEC. 9. The said association shall not purchase, hold or convey real estate in any other case, or for any other purpose; and all conveyances of such real estate shall be made to such association in the name mentioned in the article of association; and such association may sell and convey the same free from any claim thereon against any of the shareholders or any person claiming under them, by an instrument under the hand and seal of the president or vice president and cashier of said association, duly acknowledged.

SEC. 10. Whenever any person or association of persons formed for the purpose of banking under the provisions of this act, shall legally transfer to the State Treasurer any portion of the public debt now created, or hereafter to be created by the United States, or the funded debt of this State, or that hereafter may be funded, or the public debt now created or that

may be created by the State of New York; either of the New England States, Pennsylvania, Indiana, Illinois, Ohio, or Kentucky, bearing interest and upon which interest is paid, such person or association of persons, shall be entitled to receive from the State Treasurer an amount of circulating notes of different denominations as may be desired by such person or association, equal to one hundred per cent. of the securities thus transferred, and such securities or public debt shall in all cases be or be made equal to a stock of this State producing six per cent. interest per annum; and it shall not be lawful for the State Treasurer to take such stock at a rate above ninety-five per cent. of its par value, nor above ninety-five per cent. of its current market value, to be determined by the average value of such trust funds at the stock exchange in the city of New York, for four weeks next preceding the time of the receipt by the said treasurer.

SEC. 11. All persons and associations of persons organized under this act, and intending to commence the business of banking, shall before commencing such business, cause to be engraved and printed in the best manner to guard against counterfeiting, such quantity of circulating notes in the similitude of bank notes in blank, of the different denominations authorized by this act, as he or they may require, and shall deliver the same to the State Treasurer, and shall at the same time deliver into the custody of said treasurer all the plates used in printing such circulating notes, accompanied by affidavits of the engraver and of the printer of such notes, and of the person delivering such circulating notes and plates, showing that no other such circulating notes have been printed from said plates than those delivered to the said treasurer; and any person who shall in any such affidavit swear or affirm false, shall be liable to all the pains and penalties for wilful and corrupt perjury. It shall be the duty of such treasurer to receive and safely keep the plates thus delivered to him, and shall from time to time cause to be printed from said plates, at the expense of such bank, association or banker, such notes in blank and of such denomination as is by law allowed, and as the bank association or banker owning such plates may require, not exceeding the amount authorized by this act. Such blank circulating notes shall be countersigned, numbered and registered in proper books to be provided and kept for that purpose in the office of said treasurer, under his direction, by such person or persons as said treasurer shall appoint for that purpose, so that each denomination of such circulating notes shall bear the uniform signature of such register, or one of them.

SEC. 12. Such person or association of persons, are duly authorized, after having executed and signed such circulating notes in the manner required by law, to make them obligatory promissory notes payable on demand, at the place of business within the State of such person or association, to loan and circulate the same as money, according to the ordinary course of banking business as regulated by the laws and usages of this State.

SEC. 13. The bills or notes so to be countersigned as aforesaid, shall be stamped upon their face, "secured by pledge of public stock."

SEC. 14. In case the maker or makers of any such circulating notes, countersigned and registered as aforesaid, shall at any time, on lawful demand, during the usual and regular banking hours of business, at the place where such note or notes are payable, fail or refuse to redeem such notes in gold when the amount is over ten dollars, in gold or silver when the

amount is under ten dollars, the holder of such note or notes making such demand, may cause the same to be protested in one package for non-payment by a notary public, in the usual manner; and the treasurer on receiving and filing such protest, shall forthwith give notice in writing to the maker or makers of such note or notes to pay the same; and if he or they shall omit to do so after such notice, the treasurer shall immediately thereupon (unless he shall be satisfied that there is a good and legal defence against the payment of such note or notes) give twenty days' notice in some newspaper published at the seat of government, and in one published in the county where such person or association keeps an office, if there be one, that all the circulating notes issued by such person or association will be redeemed out of his hands. For that purpose:

1. The State treasurer is authorized and required to sell at public sale in New York city, or at private sale, within twenty days, so much of any stocks deposited with him, as shall be necessary to redeem any notes of said bank, whether protested or not.

2. And the treasurer shall be required to apply the proceeds of the sales of said trust funds, belonging to the maker or makers of such protested notes, to the payment, pro rata, of all such circulating notes, whether protested or not, put in circulation by the maker or makers of such protested note or notes, pursuant to the provisions of this act, and to adopt such measures for the payment of such notes as will, in his opinion most effectually prevent loss to the holders thereof.

3. No stock shall be sold at private sale for less than the par value thereof, nor for less than the market value in the city of New York, at the time of such sale, nor shall the stock be sold on credit; and for any deficiency in the sale of said stocks to pay the holders of its notes, whether the same are secured by the pledge of stock or otherwise, the directors and stockholders shall be individually liable.

SEC. 15. The treasurer may give to any person or association of persons so transferring stock in pursuance of the provisions of this act, powers of attorney to receive interest or dividends thereon, which such person or association may receive and apply to his or their own use; but such powers may be revoked upon such person or association failing to redeem the circulating notes so issued, or whenever, in the opinion of the treasurer, the principal of such stock shall become an insufficient security; and the said treasurer, upon the application of the owner or owners of such transferred stock, in trust, may, in his discretion, change or transfer the same for other stocks of the kind before specified in this act, or may transfer (re-transfer) the stock, or any part thereof, upon receiving and cancelling an equal amount of such circulating notes delivered by him to such person or association, in such manner that the circulating notes shall always be secured in full by such stocks so transferred, as in this act provided, so that there shall not at any time be in circulation, and in the possession or under the control of any such banker or association, more than an equal amount of such circulating notes, on the amount of the stock transferred to and in the hands of such treasurer: *Provided*, That said treasurer shall at all times keep an accurate account of the stock, both as to kind and amount, thus changed, transferred or re-transferred, and of the dates of all such transactions, and shall also register all circulating notes, returned, cancelled or destroyed, so far as the same can be done, and all the circu-

lating notes of such association, issued by him in exchange for mutilated or worn-out notes of such association.

SEC. 16. It shall be the duty of the treasurer to receive mutilated circulating bills or notes issued by him, and to deliver in lieu thereof other circulating notes to the same amount; such mutilated notes shall thereupon be destroyed: *Provided*, That all mutilated bills or notes be destroyed by said treasurer, in the presence of the Secretary of State, and an agent of the bank whose notes are burned, before any other circulating notes shall be delivered in lieu thereof by him.

SEC. 17. The public debt or stocks deposited by any person or association of persons under the provisions of this act, shall be held by the treasurer exclusively for the redemption of the bills or notes of such person or association, put in circulation as money, until the same are paid or returned.

SEC. 18. The directors of each bank shall semi-annually, on the first Monday in July and December, declare a dividend of so much of the net profits of the bank as they shall deem expedient, and on each of said days the president or cashier shall make a full, clear and accurate statement to the State treasurer, of the condition of the bank as it shall be on that day after declaring the dividend, if any be declared, which shall be verified by the oath of the president or cashier, and shall contain a full abstract of the general accounts of the bank, so as to show plainly its resources and liabilities, and the amount of each kind thereof; and the same shall be published in some newspaper in the county where such bank is located, or in any paper published in Detroit.

SEC. 19. If such association shall neglect to make out and transmit the statement required in the preceding section, for one month beyond the period when the same is required to be made, or shall wilfully violate any of the provisions of this act, such association may be deemed insolvent, and may be proceeded against and dissolved in the same manner as any moneyed or other corporation may be proceeded against and dissolved.

SEC. 20. Such association shall be liable to pay to the holder of every bill or note put into circulation as money, and to the holder of every sight check or draft drawn on such association against money in deposit with it, to the credit of the drawer, subject to such sight check or draft, the payment of which shall have been demanded and refused, damages for non-payment thereof in lieu of interest, at and after the rate of fourteen per cent. per annum, from the time of such refusal until the payment of such evidence of debt and the damages thereon. The directors and officers of any such association refusing to pay its deposits on demand, when such deposits are, by the conditions upon which they were received, subject to sight drafts, shall be personally liable for such deposits, and any director or officer of such association, and any individual banker, who shall fraudulently, and with intent to cheat and defraud any person, receive any deposit, knowing or having good reason to believe at the time of receiving such deposit, that such association or individual banker is insolvent, shall, if such deposit is not paid on demand, be deemed guilty of a misdemeanor, and on conviction thereof be punished by imprisonment in the State prison not exceeding three years.

SEC. 21. The president and cashier of every such association formed pursuant to the provisions in this act, shall at all times keep a correct

list of the names of all the shareholders of such association, and shall record a copy of such list in the office of the register of deeds of the county where any office of such association may be located, and file the same in the office of the Secretary of State, on the first Monday of January in each year: *Provided*, There shall be any change in the shareholders during the previous year.

SEC. 22. It shall not be lawful for the State treasurer or other officer to countersign bills or notes for any person or association of persons organized under the provisions of this act, to an amount in the aggregate exceeding the stocks or public funds deposited or transferred to said treasurer, as hereinbefore provided, by such person or association of persons for bills or notes returned to him except as herein provided; and any treasurer or other officer who shall wilfully violate the provisions of this section, shall, upon conviction, be adjudged guilty of a felony, and shall be punished by imprisonment in the state prison not less than five years.

SEC. 23. It shall not be lawful for any person or association formed under the provisions of this act, to make any of its bills or notes, to be put in circulation as money, payable at any other place than at the office where the business of the association is carried on and conducted, and all said bills or notes shall be redeemed at said place of business.

SEC. 24. It shall not be lawful for any person or association authorized to carry on the business of banking under the provisions of this act, to receive, pay out, give or offer in payment as money, to circulate or attempt to circulate as money, any bill, note, or other evidence of debt, issued, or purporting to have been issued by any corporation, association or individual, situate or residing out of this State, which bill, note, or other evidence of debt, shall upon any part thereof purport to be payable or redeemable at any place or by any person, association, or corporation within this State.

SEC. 25. It shall not be lawful for any association or individual authorized to carry on the business of banking under this act, directly or indirectly, to lend or pay out for paper discounted or purchased by him or them, any bank bill, note or other evidence of debt, which is not received at par by the said association or individual banker, or received by such association or individual banker from dealers and customers in the regular course of business.

SEC. 26. Every corporation, association or individual, who shall wilfully offend against any of the provisions of the last three preceding sections, shall forfeit for each and every offence the sum of one thousand dollars, to be recovered with costs of suit in the name of the people of this State, for the support of the township libraries of the several townships in the county where such forfeitures shall be recovered; and every officer and clerk of such association, and every individual banker, his clerks and servants, who shall knowingly act or assist in any violation of any provisions of this act, shall upon conviction be deemed guilty of a misdemeanor, and shall be punished by fine and imprisonment, or both, at the discretion of the court; but such fine shall not exceed five hundred dollars, or such imprisonment shall not exceed six months.

SEC. 27. No note or bill intended to circulate as money, shall issue or be put in circulation by any association or individual bankers of a less denomination than one dollar, nor unless said bill or note shall be made payable on demand, and without interest.

SEC. 28. The State treasurer shall appoint one or more registers to countersign and register in a book, to be kept for that purpose, all circulating notes issued under the provisions of this act, who shall hold his office during the continuance of said treasurer in office, unless sooner removed by said treasurer; and such register or registers shall take the constitutional oath of office, and execute a bond to the people of this State in the penal sum of ten thousand dollars, with responsible sureties, conditioned for the faithful discharge of his duties as such register under this act, which bond shall be approved by the State treasurer, and to be filed with the Secretary of State. Such register shall receive an annual salary of eight hundred dollars.

SEC. 29. No person or individual banker shall commence the business of banking under this act until he shall have deposited with the treasurer the securities required by law, to the amount at least of twenty-five thousand dollars.

SEC. 30. Whenever the securities deposited for the redemption of the circulating notes of any association or individual shall, in the opinion of the treasurer, become insufficient for the purpose, he may revoke the power of attorney heretofore mentioned, receive the interest or dividends on the stock so deposited, and shall retain the same in trust for the association or individual to whom the same may belong until said interest or dividends so received, when added to the securities so deposited, shall be deemed sufficient security for such circulating notes; or said treasurer may immediately give notice thereof to the president or cashier of such association, or to such individual banker, who shall forthwith return to said treasurer an amount of circulating notes, so countersigned, equal to the depreciation of such stock.

SEC. 31. It shall be the duty of the joint committee of the legislature chosen to examine the treasurer's accounts, to examine such of the securities deposited in the treasurer's office by banking associations and individual bankers, together with the books and papers therein, relating to the business of banking, as the said committee may deem necessary, to enable them to report the true state and condition of the department to the legislature.

SEC. 32. All fees for protesting the circulating notes issued by any banking association or individual bankers shall be paid by the person procuring the services to be performed, for which such association or banker shall be liable, but no part of the securities deposited by such association or banker shall be applied to the payment of such fees.

SEC. 33. Every banking association and individual banker, carrying on banking business under or by virtue of the provisions of this act, shall at all times be subject to the inspection and supervision of the State Treasurer.

SEC. 34. In case any of the associations or individual bankers shall refuse to submit its books and papers to the inspection of said treasurer, or whose officers shall refuse to submit to be examined upon oath, touching the concerns of such association or individual banker, or if any of them shall be found to have violated any law of this State, binding upon such association or individual banker, he or they shall be liable to be proceeded against by such treasurer, in the same manner and with like

effect as any incorporated bank may be proceeded against for a violation of its charter.

SEC. 35. Any association (associate) or shareholder in any such association may, in respect of any demand which he may have, either solely or jointly with any other person against such association, commence and prosecute, either solely or jointly (as the case may be), any action, suit or proceeding in law or equity against such association for the recovery thereof; and such association may commence and prosecute any action, suit or other proceeding in law or equity, against any person or persons who may be or who have been an associate or shareholder of such association, either alone or jointly with any other person or persons against whom such association may have any demand whatever. All such suits or proceedings by or against such association shall be conducted, and have the same legal effect, as if such association (associate) or shareholder had ever been a member of such association. Nor shall any action or suit be in any way affected by reason of the plaintiffs or defendants, or any other person who may be in any way interested in said action, being or having been a shareholder or associate of any such association; nor shall it be necessary in any process, pleading or proceeding, in behalf of or against any such association, to name the individual composing the same.

SEC. 36. When any individual banker or association, desirous of relinquishing the banking business, shall have redeemed at least ninety per cent. of their circulating notes, and shall produce to the treasurer a certificate of deposit to his credit in such bank as he shall approve, or shall pay to said treasurer an amount equal to the circulating notes of such bank unredeemed, it shall be lawful for said treasurer to receive the same, and to give and transfer all securities theretofore deposited by such banker or association, for the redemption of circulating notes issued.

SEC. 37. Such bank or association, after having complied with the provisions of the preceding section, may give notice once in each month, for two successive years, in some newspaper published or printed in the city of Detroit, and also in at least one newspaper printed in the county, if there be one, where such association or bank shall have been located, that all circulating notes issued by such association or bank must be presented at the treasurer's office within two years from the date of such notice, or that the funds deposited for the redemption of the notes will be given up to the bank or association; and on receiving satisfactory proof of the giving such notice for the time aforesaid, the treasurer shall surrender to the order of the said association or bank, any securities or moneys which he may hold for the redemption or payment of any unredeemed notes of such association or bank.

SEC. 38. Nothing in this act contained shall be so construed as to prevent any association or individual banker, organized under this act, from making, issuing, or putting in circulation, bills of exchange on foreign countries, or places beyond the jurisdiction or limits of the United States; which bills of exchange may be made payable at or with the customary usance, and at or within ninety days' sight; but no such draft or bill of exchange shall be used or put in circulation as money by any such bank or banking association.

SEC. 39. A book shall be provided and kept by every association and individual banker, organized under the provisions of this act, in which shall

be entered the names and residences of the stockholders or shareholders in such association, the number of shares held by each, the time when each person became such stockholder or shareholder, every registered transfer of stock or shares upon the books of the association or bank, the time when any stock or share was transferred, the name of the assignee or assignees with his or their residence, and the number of shares transferred; the said books shall be, at all times during the usual hours of transacting business, subject to public inspection. A neglect to provide and keep such book, ready for examination as herein provided, shall subject the association or bank whose duty it is to provide and keep the same, to a penalty of one hundred dollars for every day's neglect; and a refusal by any officer of such association or bank, to exhibit such book to any person demanding the inspection thereof, shall subject such officer to a penalty of fifty dollars. The said penalty may be sued for and recovered with costs, by any person who will prosecute for the same, in the name of the people of the State, and shall be exclusively applied to the support of the township libraries in the county where such penalties shall be recovered. In all actions, suits and proceedings under this act, the said book shall be presumptive evidence of the facts therein stated. Any person or association, making, directing or consenting to any false entry in such book, or any other book of such banker, shall, upon conviction thereof, be sentenced to imprisonment in the State prison not less than one nor more than three years.

SEC. 40. Upon the return of an execution against the property of any association or individual banker, organized under the provisions of this act, unsatisfied in whole or in part, the judgment creditor may sue and prosecute any officer or stockholder, or any number thereof, in any court having jurisdiction of such action, and may recover against such officer, stockholder or any number thereof, the amount due him upon any judgment he or they shall have recovered against such association or bank, with costs, and may have execution thereof against the private property of such officer, stockholder or individual banker, as in other cases; and every officer and stockholder of such association or bank, shall be individually liable for all debts, dues and demands, contracted during the time of their being officers and stockholders of such association or bank. But in case of any amendment of the constitution of this State, lessening or qualifying such liability, the stockholders or officers of any such bank shall become entitled to the privileges of such amendment.

SEC. 41. A judgment rendered against any officer or stockholder, or any number thereof, shall not be a bar to a prosecution or suit against any other officer or stockholder of such association or bank, for the recovery of the same indebtedness.

SEC. 42. All transfer of notes, bonds, bills of exchange, or other evidences of debt owing to any bank, or of deposits to its credit, all assignments of mortgages or other securities on real estate, or of judgments or decrees in its favor, all deposits of money, bullion, or other valuable things for its use, or for the use of any of its stockholders or creditors, all payments of money to either made after the commission of an act of insolvency, or in contemplation thereof, with a view to prevent the application of its assets in the manner prescribed by this act, or with a view to the preference of one creditor to another, except in payment of its circulating notes, shall be held utterly null and void.

SEC. 43. In case of the insolvency of any bank or banking association, organized under this act, the bill-holders thereof shall be entitled to a preference in payment over all other creditors of such bank or association.

SEC. 44. Suits may be instituted and prosecuted by and against such association or bank in the same manner and in like cases as natural persons.

SEC. 45. The stockholders, collectively, of any bank, shall at no time be liable to such bank, either as principal debtors or sureties, or both, to an amount greater than two-fifths of the amount of the capital stock actually paid in and remaining undiminished by losses or otherwise.

SEC. 46. It shall be the duty of the Secretary of State to report to the Legislature at the commencement of each session :

1. A summary of the state and condition of every incorporated or organized bank, banking association and individual banker, from whom reports have been received the preceding year or years, at the date or dates to which such report refers, with an abstract of the whole amount of banking capital returned by them respectively, of the whole amount of their debts and liabilities, the amount of circulating notes outstanding, and the total amount of resources and means, the amount of specie held by them, and such other information in relation to said banks, associations and bankers, as in his judgment may be useful :

2. A statement of the banking associations and bankers, whose business has been closed during the preceding year or years, with the amount of their circulation redeemed, the rate of such redemption per cent., and the amount outstanding. Such report shall be made by or before the last day of the year.

SEC. 47. The treasurer, attorney-general, or any committee appointed by the Legislature or either branch thereof, shall have power to examine the books, papers, conditions and affairs of any bank or association organized under the provisions of this act, and for that purpose may examine on oath, any individual banker, and the officers, agents, partners and clerks of such banker, and of any bank or association touching the matters he or they shall be directed or may desire to inquire into ; and any wilful false swearing in any such examination shall be deemed perjury. They may also inquire whether any banker or association transacts the business of banking at the place designated in its articles or certificates of association ; and whether such banking business is conducted in the manner prescribed by law.

SEC. 48. Such officer shall have power to summon any inhabitant of the county in which he or they may be conducting the inquiry, to appear before him or them, and testify in relation to the same.

SEC. 49. If it shall appear from such examination and report, that any bank, association or individual banker, is in an unsound and unsafe condition to do banking business, or that the business of banking is not transacted by such bank, association or banker, at the place designated in its certificate or articles of association, or is not transacted in the manner prescribed by law, it shall be the duty of the treasurer to withhold and refuse to issue or deliver any registered notes to such bank, association, or banker, until he is satisfied that such bank, association, or banker, is in a sound and safe condition to do a banking business, and that the business of banking is transacted by such bank, association or banker, at the place designated in its certificate or articles of association.

SEC. 50. The circulating notes delivered to individual bankers, shall be signed by him only, and not by any attorney or agent; and any banker or person acting as his cashier, attorney or agent, who shall wilfully violate any provisions of this section, shall be liable to a penalty of not more than one thousand dollars for each offence, to be recovered in an action of debt in the name of the people of this State.

SEC. 51. It shall not be lawful for any individual banker having circulating notes, obtained under the provisions of this act, to sell or transfer the business of banking upon the securities deposited by him, to any person or persons; and until such business shall be closed by the return of the circulating notes issued, and the delivery of the securities deposited, the same shall be conducted only in the name of the individual banker by whom the said securities were deposited, and he shall continue and remain individually liable for the payment of all the debts, dues and demands, and circulating notes contracted or issued by him.

SEC. 52. Every bank, association, and banker, organized under the provisions of this act, shall pay to the State treasurer, on or before the second Monday of January in each year, during its corporate existence, one per cent. upon its capital stock, deducting the real estate held by such association or individual banker, which amount shall be in lieu of all other taxes or assessments. All real estate owned by such bank, association or individual banker, may be taxed as other real estate in the city, village or township where the same may be situate; and shall also pay to the State treasurer twenty-five cents for the use of the State for every one hundred bills or notes countersigned and registered by said treasurer or registrar, as required by this act.

SEC. 53. Any person who shall take, remove, or carry away from the office of the State treasurer, contrary to the provisions of this act, or shall deface or destroy any of the bonds, stocks, or other securities therein deposited pursuant to the provisions of this act, and any person having charge of such treasurer's office, who shall suffer or permit the taking, removing or destroying of any of the bonds, stock, or other securities deposited or transferred as aforesaid, shall, upon conviction, be punished by imprisonment in the State prison for a term not exceeding ten years.

SEC. 54. If any individual banker, or any officer or clerk, agent, or other person in the employment of any bank, association, or individual banker, shall issue or put in circulation as money, any bill or note purporting to have been issued by such bank, association or individual banker, not being or having been countersigned by the registrar, as provided by this act, he or they shall be deemed guilty of a misdemeanor, and on conviction thereof, shall be punishable by imprisonment not exceeding three years, or by fine not exceeding five hundred dollars, or by both such fine and imprisonment in the State prison, at the discretion of the court.

SEC. 55. Every bank, association, or individual banker, organized under the provisions of this act, and issuing bills of circulation, shall, before issuing any such bills or notes, appoint an agent, who shall keep an office in the city of Detroit for the redemption of circulating notes issued by such bank, association or individual banker, which shall be presented to such agent for redemption or payment. It shall be the duty of every such bank to redeem or pay on demand all circulating notes issued by said bank, presented for redemption or payment at the office of their said agent in the

city of Detroit, at one-half of one per cent. discount, and every such bank, whose agent shall neglect or refuse to redeem their notes on demand at the rate aforesaid, shall pay to the person making such demand, interest at the rate of twenty per cent. per annum upon the notes so demanded; and if such redemption and payment of interest is not made at said agency within ten days from the time when first demanded, the same proceedings shall be had as are by this act provided in case of refusal by any bank to redeem its bills when presented at its own office.

SEC. 56. Such appointments shall be in writing, and a copy thereof shall be delivered to the State treasurer and filed in his office, before he shall deliver to such bank, association, or individual banker, any notes or bills countersigned as aforesaid; and any bank, association, individual banker, or other person, may be an agent for the purpose of this act; and if any such bank or banker shall omit to appoint such agent before commencing, the State treasurer shall appoint such agent for such bank.

SEC. 57. Appointments of agents made in pursuance of this act, may be revoked, and new appointments made from time to time, by delivering such revocation and appointment to the State treasurer, who shall cause the same to be published as hereinafter mentioned.

SEC. 58. The treasurer shall, immediately after the receipt of such appointment, cause the same to be published in some newspaper published in the city of Detroit, for such time as he may deem proper, the expenses whereof shall be paid by such bank, association, or individual banker.

SEC. 59. Nothing herein contained shall be construed as to authorize any bank, association, or individual banker, to purchase, buy in or take up, directly or indirectly, their circulating notes, at an amount less than what purports to be due thereon, at any other place, or in any other manner, than is directed in and by this act.

SEC. 60. This act shall be submitted to the electors of this State, for their approval or disapproval, at the next general election. At said election a ballot-box shall be provided and kept by the several boards of inspectors thereof, for receiving the votes cast for or against this act; and on the ballot shall be written or printed, or partly written and partly printed, the words, "A general banking law Yes," or "A general banking law No."

SEC. 61. The canvass of the votes cast for or against this act, and the returns thereof, shall be made by the proper canvassing officers, within the same time and in the same manner as now provided by law for the canvass and the return of the votes cast at the said general election, and the result be declared by the board of canvassers at the same time and manner as the result of the canvass for State officers; and if it shall appear that a majority of the votes cast at such election have thereon "A general banking law Yes," this act shall become a law, and take effect within sixty days after said general election.

SEC. 62. It shall not be lawful for any bank, association, or individual banker, organized under the provisions of this act, to issue circulating notes for fractional sums of money.

Approved February 16, 1857.

FIRE INSURANCE POLICIES AND TRUST COMPANY
MORTGAGES.

ONE of the most important commercial questions ever brought before our business community is, How shall the owners of Mortgages, with Fire Insurance Policies assigned as collateral security, protect themselves under the law as recently determined by the Court of Appeals in the case of *Seth Grosvenor vs. The Atlantic Insurance Company of Brooklyn*?

Having recently in this journal called the attention of our readers to the great importance of this decision, by the publication in full of the case decided (pp. 195-202, *September No.*), we supposed that we might leave the subject to the individual management of the parties interested. But we are so constantly applied to by holders of mortgages for further information, that we are constrained to again take up the subject, and to furnish more specific suggestions in regard to it.

In the first case, that of *Seth Grosvenor* against the Atlantic Fire Insurance Company of Brooklyn, the plaintiff was a mortgagee, and the policy contained a provision that the loss, if any, should be paid to him. There was also the usual condition that if a transfer of the interest of the assured should be made, without the consent of the company, the policy should be thenceforth void and of no effect. The owner of the property, before the fire, made a conveyance of his interest, without the consent of the company. The jury in the Court below found a verdict for the plaintiff, and the General Term of the Superior Court affirmed the judgment, which the Court of Appeals reversed,—Judge Harris delivering the opinion.

The Court holds the policy void, not merely on account of the condition against the transfer, but because at the time of the fire, the insured had no insurable interest. The effect of the decision seems to be, that where real estate, insured against fire, is transferred without the assent of the insurance company, the mortgagee, to whom the policy may have been assigned as collateral security, cannot recover the insurance. In other words, if A mortgage a piece of property to B for \$5,000, assigning the policy to B, and B passes the title to C without the assent of the company, the policy is void. This is an important decision, and one which those who have invested in bonds and mortgages should make themselves familiar with; for a neglect in taking proper precautions may jeopardize the safety of property to the amount of millions of dollars. Either the mortgagee must take care to invest only in cases where the naked land is worth the amount of the loan, so as to run no risk by fire; or, he must keep up a daily search in the Register's office to ascertain that the mortgagor has not sold; or he must insure his own interest in the premises separately.

In the other case, *La Mott* against the Hudson River Fire Insurance, the plaintiff in taking out his policy against ordinary risks, paid the defendants an extra premium for the extra risk of using camphene as a light in his store. A memorandum of the transaction was made on the back of the policy, but the agreement was not inserted in the body of the policy. The Court held that the plaintiff could not recover, under the rule which excludes parol evidence when the terms of a contract are stated in writing.

It appears from these decisions, that a party effecting an insurance against fire, cannot be too careful in reading and understanding the policy. It is generally drawn with great care and particularity, and is full of con-

ditions—not merely agreements—the violation of any one of which voids the contract. It is entirely immaterial what the parties may have “thought” or “understood” they were agreeing to, or what the equity, or natural justice of the case may be; the judges of the Court of Appeals are “strict constructionists;” that is, their decisions are literal and technical. As insurers are judged almost exclusively by the contract of insurance, or the policy, they must see to it that it is drawn in accordance with their understanding of the contract; and persons holding mortgages should take care to guard themselves against the effects of the recent decision.

The magnitude of the Fire Insurance business is known to few. The taxable real estate of this city amounted in 1858 to over three hundred and sixty-eight millions of dollars. While many place the proportion of property mortgaged as high as two-thirds of the whole, it will be safe to say that one-half, or one hundred and eighty-four millions of this real estate is held under mortgage, and the greater part for money loaned by individuals or Trustees, at an interest of from 6 to 7 per cent. per annum. Probably about one-half the value of this real estate is in buildings subject to loss by fire, and in order to make it safe to loan upon the real estate thus improved, the owners of the property agree to keep it insured, and to have the Fire Insurance Policies assigned to the Mortgagee as security for the loan. This transfer of the Policy from the owner to the mortgagee is made either by the Insurance Company inserting in the face of the policy, “Loss, if any, payable to A. B.,” or by the formal assignment of the policy by the owner to the mortgagee, with the consent of the Company expressed in writing; for which blanks are prepared on the back of each policy. Until the recent decision of the Court of Appeals, already mentioned, it has been supposed by most holders of mortgages that, under either of the above transfers of interest by the act and with the consent of the Company insuring, the interest of the mortgagees was legally covered. But, whatever may be *equity* or *justice*, this is not *law*, in the opinion of the highest Court of this State.

Leaving out of the account the enormous amount of mortgages held out of the city in this State, what are the holders of the nearly two hundred millions of mortgages of this city to do? We are at the end of the law, and can have no remedy in that form until some future Legislature shall take up the subject, and deem it of sufficient importance to enact such a law as will meet the case. This remedy is, therefore, remote and contingent, and does not meet the present emergency. Shall loans be called in, or so reduced as to be fully secured by the land without the buildings, and thus the mortgagee avoid the necessity of security by Fire Insurance? While this remedy would suit neither borrower nor lender, it is presumed it would give quite as little satisfaction to the stockholders of our Fire Insurance Companies, as it would deprive them of the choicest and safest part of their business—the insurance of brick and mortar.

Another remedy perfectly practicable is that one which we have already indicated, in the mortgagee's getting a contract signed similar to that used by the Mutual Life Insurance Company of New York, for the past three years, and which is now also used by many Trust Companies and Savings Banks, and by individuals who hold mortgages to a large amount. However, even with such a contract the mortgage holder is not safe, for in case of a general loss, the Fire Insurance Companies might get a decision of the Court of Appeals against the validity of a contract not in the policy.

Therefore to meet the case fully, as well as of those who hold but a few mortgages, or have but few policies of Fire Insurance transferred to them as security, it would be more satisfactory to have inserted in the face of the policy the following clause :

"And this Company, for a valuable consideration, hereby waives all pleas against payment of loss to A. B., and insures the within property absolutely for the amount expressed in this policy and in the several renewal receipts for premiums, except in the case of loss by riot, civil commotion, or foreign invasion."

It is presumed that such an agreement in the policy would sufficiently protect the mortgagee. But the most radical and the best remedy would be, for our Fire Insurance Companies to re-construct their policies, and quietly and gracefully to yield consent to a principle which is just in itself, and which, either by law or by contract, will in time be held by all intelligent and prudent holders of mortgages.

We say the principle is just, because the mortgagee cannot protect himself. He is not the owner of the property, has no custody over it, and cannot control it. He simply takes as security for his money, and in good faith, the covenant and agreement of the Fire Insurance Company that the property mortgaged is insured against fire, and if destroyed, they will pay the loss. The mortgage holder has an interest in the property by equity, and it is this that he wants insured. If the occupancy of the property or its use is changed, it is without the knowledge or consent of the mortgagee; and did he know it, he would have no power to prevent it. On the other hand, it is the duty of the Fire Insurance Company to look after the property, and if the use is changed, and the risk increased, they can either insist upon an increased rate for insurance, or can cancel their policies.

At present a Fire Policy is more nearly a bundle of conditions against the insurer than a contract to secure him from loss, and in the event of a fire, by a strict construction and regard for the conditions, but few policies would be payable, and virtually the insurer has only security in the good faith of a Company, which, with all allowance for the undoubted honor of our Fire Companies, is no basis for a contract.

We have now in this city upwards of eighty Fire Insurance Companies, with an aggregate capital of about twenty-two millions of dollars, insuring property here amounting to about five hundred and fifteen millions. Many of these Companies are managed by persons of prudence and skill, but whose ability and management have been necessarily cramped by the arbitrary rules of an Association which has doubtless been a good thing in its day, but which the magnitude and variety of the present interests sought to be embraced and controlled by it threaten to crush out of existence.

Where there is liberty there will be progress, and it is presumed among the improvements will come the substitution of a form of policy more in accordance with simplicity and fair dealing than the one now in use here, which is so unlike those used in other commercial cities and countries. But united or singly, the Fire Insurance Companies will be obliged to yield to the reasonable demands of mortgagees, and we believe that they who first take proper steps to meet them in the present emergency, will promote their own popularity and the interests of their Stockholders. Or, in the event of a refusal to consider the rights of insurers, they must expect their more liberal rivals in other cities to be sought by those who wish a Fire Policy to be, as it professes, a security against loss by fire.

LAWS OF CONNECTICUT.

In their publication of this series of existing statutes, the Bank Commissioners address the following circular to the Banks of the State :

To the Presidents and Directors of the Banks of the State of Connecticut :

GENTLEMEN :—

We call your attention to the following extracts from the different statutes of this State, regulating the business of banking. Our object is to bring together those provisions now in force, which most directly affect the mode of conducting the business of banking in this State. For Acts of a more general character, reference will of course be had to the statutes.

The Commissioners will conduct their examinations of the Banks with special reference to the enforcement of the laws, and suggest, that in all cases where the system of accounts in use by any Bank, fails to afford the Directors and officers the information of which they are by the laws assumed to be possessed, such improvements should be introduced as will enable the managers to know whether or not the business is transacted according to law.

Benjamin Noyes, George H. Noble, Thomas Clark, Bank Commissioners.

NEW HAVEN, CT., *August*, 1858.

ACTS RELATING TO BANKS OF DISCOUNT AND DEPOSIT.

Compiled and Published by the Bank Commissioners for the information of Bank Officers.

1.—*Amount of Circulation.*

SECT. 1. No incorporated bank in this State shall at any time be indebted by its bills or notes, or have its bills or notes in circulation, to an amount exceeding in the aggregate seventy-five per cent. of the amount of the capital stock of such bank, actually paid in and unimpaired by losses.

SECT. 2. If any such bank, or the directors or officers of the same, shall knowingly and wilfully violate the provisions of this act, such bank shall forfeit and pay to the treasurer of this State the sum of one thousand dollars.—[Acts of 1858, page 6.]

2.—*Protected Circulation prohibited.*

SECT. 3. No such bank or banking association shall directly or indirectly loan its bills or notes for circulation to any person, persons or corporation, under any agreement that such person, persons or corporation shall protect the circulation of such bills and notes, or redeem the same.—[Acts of 1855.]

3.—*Circulating Notes Payable where Issued.*

SECT. 222. No bank shall issue any bills but such as are made payable at the bank where issued, and notes of all denominations shall be regularly numbered when issued.—[Page 234, Comp. 1854.]

4.—*Specie equal to one-tenth of Circulation and Deposits.*

SECT. 1. Each bank in this State shall keep within such bank at all times, an amount of gold and silver coin, or bullion, at least equal to one-tenth of all the circulation and deposits of said bank; but so long as said bank shall redeem its bills at par in New York or Boston, any deposit standing to the credit of such bank in any specie-paying bank in New York or Boston, and payable on demand, shall be deemed equivalent to gold and silver coin or bullion, for the purposes of this act. *Provided* only, that the amount actually kept in the vault of the bank, shall not be less than one-tenth of the circulation.

SECT. 2. Any bank in this State which does not redeem its bills at par in New York or Boston, shall keep at all times an amount of gold and silver coin or bullion, at least equal to one-fourth of all the circulation and deposits of such bank; and every bank which shall fail to comply with the provisions of the 1st and 2d sections of this act, shall forfeit and pay to the treasurer of this State, the sum of one hundred dollars for each week that said provisions shall not be complied with.—[Acts of 1858, page 5.]

5.—*Cashiers to state daily Average of Specie.*

SECT. 3. In the statement required by the 6th section of "An Act relating to Banks," approved June 30th, 1855, the cashiers of the respective banks shall state the daily average of specie and of specie funds during the three months last preceding such statement.—[Acts of 1858, page 5.]

6.—*Banks may not pay Interest on Deposits.*

SECT. 1. No incorporated Bank in this State shall, after the first day of October next, directly or indirectly, pay, or agree to pay, any interest on deposits.

SECT. 2. Any bank whose officers shall knowingly and wilfully violate the provisions of this act, shall forfeit and pay to the treasurer of this State five hundred dollars for each violation.—[Acts of 1858, page 6.]

7.—*Rates of Discount, Interest and Exchange, regulated.*

SECT. 4. No such bank or banking association shall take or receive, directly or indirectly, by including exchange or otherwise, on any note, draft or bill of exchange, a greater rate of discount or interest than six per cent. per annum, to be calculated according to the standard laid down in Rowlett's Tables.—[Acts of 1855.]

8.—*No Office for Loans, except Bank House.*

SECT. 224. No bank shall establish any branch, office, or agency thereof, or employ any agent or person to make loans or discounts at any

other place than the banking house; nor shall any bank, or any of its officers, at any time, employ any agent or person to exchange the bills of such bank for the bills of any other bank in this State, except at their banking house.—[Page 245, Comp. 1854.]

9.—Loans to Bank Directors.

SECT. 1. That no person holding the office of bank director in any bank in this State, shall owe or be indebted to any bank in which he is such director, either as maker, acceptor, drawer or endorser, or in any other manner, to an amount exceeding five per cent. of the capital of said bank actually paid in; *provided*, that no bank shall permit its directors to become indebted to said bank, either as makers, acceptors, drawers, or endorsers, or in any other manner, to an amount exceeding in the whole, the sum of 20 per cent. on its capital stock, actually paid in, at any one time.

SECT. 2. Any bank which shall violate the provisions of this act, shall forfeit and pay to the treasurer of this State a sum not less than five hundred nor more than one thousand dollars.

SECT. 3. All other acts or parts of acts inconsistent with this act are hereby repealed.—[Acts of 1858, page 7.]

10.—Loans and Discounts to any one party not to exceed fifteen per cent. of Capital paid in.

SECT. 2. No such bank or banking association shall make any loan or discount, or in any way give credit to any individual, company or corporation, where by such loan, discount or credit, the party receiving the same shall become liable to such bank or banking association, in connection with liabilities already existing, to an amount greater than fifteen per cent. of the capital stock of such bank or banking association actually paid in.—[Acts of 1855.]

11.—Loans and Discounts out of the State.

SECT. 5. The loans and discounts of any such bank or banking association to individuals, companies and corporations out of this State, shall not, at any one time, exceed in the aggregate one-fourth part of its capital stock actually paid in, bills in circulation, and moneys on deposit at the time.—[Acts of 1855.]

12.—Loans not to be made on Stocks.

SECT. 226. No bank shall make any loan, or discount, on pledge of its own stock.—[Page 236, Comp. 1854.]

13.—Directors Endorsing Notes for Premiums.

SECT. 233.—If any director of any bank in this State shall receive any commission or compensation for endorsing any note, or bill of exchange, which shall be discounted by such bank, he shall forfeit to the treasurer of the county where such bank is located, the full amount of such note or bill of exchange, so endorsed by him.—[Page 237, Comp. 1854.]

14.—Cashiers and Clerks not to be Makers of Notes, &c.

SECT. 234. No cashier or clerk of any bank, or company of which said cashier or clerk is a member, shall be either maker, acceptor, or endorser, of any paper which shall be discounted at the bank in which said cashier or clerk is employed.—[Page 237, Comp. 1854.]

15.—Cashiers to give Bonds.

SECT. 235. If any cashier shall neglect to give the bond required by the charter, for thirty days after his appointment, his office shall cease and become vacant.—[Page 237, Comp. 1854.]

16.—Dividends, how declared, &c.

SECT. 223. The directors of any bank in this State shall not make or declare any dividend except from the earnings of such bank which shall remain after deducting therefrom all losses, all sums due from the bank for bonus, plates, paper, vault expenses, charter expenses, furniture, and all notes and drafts which shall have been due for six months or more, and not abundantly secured, and such amount of discount as shall at the time of making such dividend be the market rate in the city of New York on all uncurrent or depreciated bank or post notes, or bank, insurance, city, State, or other corporate stocks, owned by such bank; and the directors voting for any dividend made and declared, not in conformity with the provisions of this section, shall forfeit and pay to the treasurer of this State the sum of five hundred dollars, for which such directors shall be jointly and severally liable; and it shall be the duty of the directors in making any dividend to take the question thereon by yeas and nays, which shall be recorded on the records of the bank.—[Page 235, Comp. 1854.]

17.—Who may not be Directors.

SECT. 227. No person not a resident of this State shall be eligible or qualified to act as a director of any bank in the State, and no person while he is a director of any bank in this State, shall be a director in any other bank.—[Page 236, Comp. 1854.]

18.—Bank Note Plates and Printing.

SECT. 1. That every bank in this State shall, at all times, keep every plate used in the manufacture of the bills of such bank, securely locked in its own vault, except when in actual use or in the hands of an engraver for alteration or repairs; and when so used, one of the directors, or an authorized agent of the bank, shall be present, and maintain a personal supervision over such plate and the use of the same.—[Page 244, Comp. 1854.]

19.—What stock may be voted on, and what cannot.

SECT. 228. No stock in any bank in this State shall be voted on at any meeting of the stockholders of such bank, except transferrable stock; no stock of any bank of this State that is transferred, hypothecated, or pledged,

to any such bank, or to any person in trust for such bank, or is held in trust or owned by any other banking corporation, shall be voted on at any meetings of the stockholders of such bank.—[Page 236, Comp. 1854.]

• *President and Cashiers not to Vote, except on their own Stock.*

SECT. 232. No president or cashier of any bank in this State shall be allowed to vote in the election of directors for such bank upon any other stock than his own, nor shall any president or cashier request or solicit any stockholder to make to any person whatever a power of attorney to vote upon the stock of such bank, and no person shall be allowed to vote by virtue of a power so obtained; and any person who shall violate the provisions of this section shall be disqualified from holding any office in said bank for the term of one year thereafter.—[Page 237, Comp. 1854.]

20.—*Annual Returns to Comptroller.*

SECT. 245. The cashiers of all banks shall annually, on the first day of October, or within ten days thereafter, make out, on oath, and deliver to the comptroller of public accounts, a true statement of the whole amount of capital stock of their respective institutions, and how much thereof belonged, on said first day of October, to resident stockholders, and how much to non-resident stockholders, and if any such cashier shall neglect or refuse to comply with the requirements of this section, he shall forfeit one hundred dollars to the treasury of this State, recoverable by the treasurer, in an action of debt.—[Page 240, Comp. 1854.]

21.—*Statement to be made to Bank Commissioners.*

SECT. 2. The cashier of all such banks and banking associations, shall on the first Mondays of January, April, July and October in each year, or within ten days thereafter, make out and deliver to the bank commissioners, a particular and detailed statement of the condition of their respective institutions, exhibiting the resources and liabilities of the same, which statement shall be subscribed by the cashier or president, verified by oath, and published in a newspaper in the county where said bank or banking association is located.—[Acts of 1855.]

22.—*Penalty for violating Act of 1855.*

SECT. 7. If any such bank or banking association, or the directors or officers of the same, shall violate the provisions of this act, such bank or banking association shall forfeit and pay to the treasurer of this State, for the use of the State, a sum of not less than one thousand dollars. And such directors and officers shall be individually liable and responsible for the redemption and payment of all the bills of such bank in circulation, above the amount authorized by the first section of this act.—[Acts of 1855.]

23.—*Duties and Powers of Bank Commissioners.*

SECT. 246. Three bank commissioners shall be appointed by the General Assembly, whose duty it shall be to visit and examine the several

banks in this State once in each year, and oftener if they deem it expedient to inquire whether they have been and are managed and conducted according to law; and said commissioners, or either of them, shall have power to enter any of the said banks and examine the books and papers thereof, in the presence of one or more of the officers, and to examine the president, cashier, directors, clerks, and any other persons, under oath, in relation to the affairs of said bank, which oath either of such commissioners is empowered to administer, &c.—[Page 240, Comp. 1854.]

24.—*Bank Commissioners to Report any violations, &c.*

SECT. 8. It shall be the duty of the bank commissioners to examine the several banks and banking associations in this State, with special reference to any violations of the laws, relating to banks and banking, and to report to the General Assembly any such violations of laws as they may discover, with the names of the banks guilty of such violations.—[Acts of 1855.]

25. *Enforcement of violation of Law.*

Whenever, in opinion of the majority of the bank commissioners, any bank, savings bank, or savings and building associations, shall knowingly and wilfully violate any provision of the laws of this State, for the violation of which a penalty is prescribed, it shall be the duty of the bank commissioners to bring such violation to the notice of the attorney for the State, in the county where such bank is situated; and it shall be the duty of the said attorney to prosecute for said penalty.—[Acts of 1858, page 9.]

JOHN LAW—THE BANKER.

By J. F. McLENNAN, M. A., ADVOCATE.

[From the *Encyclopedia Britannica*. Eighth Edition, 1858.]

JOHN LAW, commonly known by the name of the Projector, was the eldest son of William Law, and was born at Edinburgh in the month of April, 1671. His father followed the profession of goldsmith or banker, with so much success, that he was enabled to purchase the lands of Lauriston and Randleston, which afterwards descended to his son. The latter was educated at Edinburgh, where he is said to have made some progress in literature; but the bent of his genius having led him to study arithmetic and geometry, he attained such proficiency in these branches as to be able to solve with facility the most intricate problems; and he likewise made himself master of algebra. The principles of public and private credit, the state of trade and of manufactures, the theory and practice of taxation, and other matters connected with political economy, also engaged his attention; and the accession of knowledge resulting from these inquiries laid the foundation of his future eminence. But he soon became noted as

a man of pleasure as well as of study. Having lost his father before he had completed his fourteenth year, he was thus left at an early age without paternal control; and as the graces of a naturally handsome person were improved by the acquisition of external accomplishments, Jessamy John, or Beau Law, as he was indifferently called by his companions, addicted himself to the practice of all games of chance, skill, and dexterity, and appears to have engaged in other pursuits of a still more questionable character. In 1694 he visited London, where his wit and accomplishments procured him admission into the first circles, whilst his extravagance speedily involved him in difficulties. At this time he was noted for his propensity to deep play, and for his gallantries amongst women. By the former, he injured his fortune; in consequence of the latter, he narrowly escaped an ignominious end. An intrigue which he had with a Mrs. Lawrence, proved the occasion of a quarrel between him and one Mr. Edward Wilson; a hostile meeting ensued, and Mr. Law killed his antagonist on the spot. He was immediately apprehended, and brought to trial at the Old Bailey, on a charge of murder; and being found guilty, received sentence of death. Upon a representation of the case to the crown, however, Law obtained a pardon; but an appeal being lodged by a brother of the deceased, he was detained in the King's Bench prison. This appeal was brought before the Court of King's Bench in Trinity term, 1694; and as the exceptions taken on the part of Law were overruled by the court, the latter, judging it not prudent to await the result, found means to escape from prison, and retired to the Continent. In the *London Gazette* of Monday, 7th January, 1695, a reward of fifty pounds was offered for the apprehension of "Captain John Law, a Scotchman, lately a prisoner in the King's Bench for murder," who is described as "a very tall, black, lean man, well shaped, above six foot high, large pock-holes in his face, big high nosed, speaks broad and loud." This description, which conveys no very favorable idea of Law's personal appearance, and differs from his real portrait, is supposed by Mr. Wood to have been drawn up with a view to facilitate his escape. The prefix of "Captain," which is otherwise a good travelling title, may also, perhaps, be explained on the same hypothesis.

Law resided for several years abroad, first at Paris, where he acquired great dexterity in all games of chance, and afterwards at Genoa and Venice. One cause assigned for his leaving Paris, was his eloping with Lady Catherine, third daughter of Nicholas, Lord Banbury, and wife of Mr. Senor, or Seinour. His success in play was so great, that he is said to have acquired £20,000. At Venice his attention was first directed to the subject of paper money and banking; but failing in his application, during the reign of William III., to return to England, he proceeded to Amsterdam, and made himself practically acquainted with the Dutch system of banking. An anonymous work, by William Paterson, entitled, "Proposals and Reasons for constituting a Council of Trade," printed at Edinburgh in 1701, at an interval of fifty years, was republished at Glasgow, and the name of Law given as its author, without any authority.

Being dated from Edinburgh, 31st December 1700, Law's biographers have concluded that he must have then returned to Scotland; but the work was unquestionably written by Paterson, known as the founder of the Bank of England, and of the Darien scheme. Five years later, however, Law, having secured the interest of several persons of distinction,

offered to the Scottish parliament, in 1705, a plan for removing the difficulties under which the kingdom then labored from the scarcity of specie, and the stoppage of payments by the bank; and, with a view to further his object, he published a work, entitled, *Money and Trade considered*, with a Proposal for supplying the Nation with Money, which appeared at Edinburgh the same year. His "proposal" was, that commissioners to be appointed by an act, under the control of parliament, should be empowered to issue notes, either in the way of loan, at ordinary interest, or upon land-security; the debt, however, not to exceed half, or at the most, two-thirds, of the value of the land; or upon land-pledges, redeemable within a certain period, to the full value of the land; or, lastly, upon sale irredeemably to the amount of the price agreed upon. Paper-money, thus issued and secured, would, he conceived, be equal in value to gold and silver money of the same denomination, and might even be preferred to these metals, as not being, like them, liable to fall in value. But this scheme, though supported by the united weight of the court party, and of that called the *squadron*, headed by the Duke of Argyle and the Marquis of Tweeddale, was rejected, as the parliament on the 27th of July 1705, resolved, "that the forcing any paper credit by an Act of Parliament was unfit for this nation;" and, likewise, that "it was an unfit expedient for this nation, that the current specie within the kingdom should be raised above for what it passes at present." The rejection of the plan was occasioned by an apprehension, that if it were adopted all the estates of the kingdom would thereby be brought to a complete dependence upon the government. He also failed in a final application to Queen Anne for a pardon of the sentence given against him for Wilson's murder in 1694, which precluded his return to England.

Mr. Law therefore resolved to abandon his native country, and to try his fortune abroad. He resided some time at Brussels, where he became noted for extraordinary success at play; and in two excursions which he made to Paris, his good fortune at the gaming-table became still more conspicuous. Having visited the principal cities of Italy, he continued the same career, playing at all sorts of games, and betting and speculating in the public funds and banks, with uninterrupted success; insomuch that, in the year 1714, he was worth upwards of £110,000 sterling. During these rambles, Law, having the advantage of a graceful figure and an insinuating address, was everywhere well received by persons of the highest quality. At Florence he became acquainted with the Duke de Vendôme, whom he had the honor to oblige with the loan of a considerable sum of money. At Neuchâtel he obtained access to the Prince of Conti, to whom he imparted some of his financial projects. During a short residence at Turin, he communicated to Victor Amadeus, King of Sardinia, a scheme for aggrandizing his territories, of the same nature as that which he afterwards proposed to the Duke of Orleans; but the prudent monarch declined embarking in so perilous an adventure, observing to the projector, that his dominions were too small for the execution of so great a design, and that France was the proper theatre for such speculations. "If I know the disposition of the people of that country," added Victor Amadeus, "I am sure they will relish your schemes; and, therefore, I would advise you to go thither without delay."

Law took the advice which was thus given him, and returned to Paris,

where he arrived in 1714, not long before the death of Louis XIV. He was more favorably received than on the occasion of his former visits, when he appears to have been regarded as a mere adventurer; and soon gained the confidence of the Duke of Orleans to such a degree, that he was not only admitted to the convivial parties of the regent, but even nominated one of his councillors of state. At this time the French finances were in the greatest disorder—indeed in a situation accounted desperate; the nation was burdened with an immense load of debt, contracted during the expensive wars of Louis XIV.; and the people groaned under the intolerable pressure of the taxes which had been imposed for payment of the interest. All industry was thus checked, and trade in a manner annihilated; manufactures, commerce, and navigation had almost ceased; the merchant and the trader were reduced to beggary, and the artificer was compelled, for want of employment, to leave the kingdom. In a word, the state of affairs was such that it had been debated in council, and actually proposed, to apply a sponge to the debt, and to seek relief by means of a national bankruptcy. The proposal, however, was rejected by the regent, and a commission appointed to inquire into the claims of the state creditors, and endeavor to introduce some degree of order into the public finances. At this calamitous crisis, when the surplus of the public revenue, after payment of the interest of the debt, was found insufficient to defray the necessary expenses of the civil government, Law came forward with his favorite nostrum or panacea, and proposed to liquidate the debt by establishing a bank for issuing notes secured upon landed property, and on the unalienable impledgment of all the royal revenues. The project seems to have been approved of, but as the conjuncture was thought unfavorable for risking so bold an experiment, his application proved ineffectual. Nothing discouraged, Law requested and obtained permission to establish a private bank, to consist entirely of funds advanced by himself, and others who chose to embark in the undertaking. The letters-patent, which are dated the 2d and 20th of May, 1716, specify the principles upon which the bank had been established, as well as the regulations according to which it was to be conducted. The scheme promised success, and, in fact, the General Bank of Law & Company had acquired great credit, when, in December, 1718, it was dissolved by an *arrêt* of the regent, who, observing the advantages resulting from the establishment, resolved to take it into the hands of government; a resolution which could not be very agreeable to the founder and his associates in the enterprise. Law, however, was named director-general of the Royal Bank, in which his own had merged; and branches were established at Lyons, Rochelle, Tours, Orleans, and Amiens.

Law now began to develop the stupendous project he had long meditated, and which afterwards became so well known to all Europe under the name of the Mississippi System. This scheme was nothing less than the vesting of the whole privileges, effects, and possessions of all the foreign trading companies, the great farms, the mint, the general receipt of the king's revenues, and the management and property of the bank, in one great company, who, having thus in their hands all the trade, taxes, and royal revenues, might be enabled to multiply the notes of the bank to any extent they pleased, doubling or even tripling at will the circulating medium of the kingdom, and, by the immensity of their funds, possessed of a power to carry the foreign trade and the improvement of the colonies to a

height altogether unattainable by other means. This monstrous and impracticable monopoly was approved of by the regent, and by letters-patent a commercial company was established, under the name of the Company of the West; to which was at the same time granted the whole province of Louisiana, a country watered throughout its whole extent by the Mississippi, from which the project accordingly took its name. The scheme was well calculated to entrap the unwary and to seduce the speculative. Of this company 200,000 actions or shares were issued, at 500 livres each, and the subscriptions were made payable in a depreciated paper currency, called *billets d'état*, which however, in the subscriptions, was taken at its full value. This could not fail to operate as a tempting-bait to the holders of these billets or notes to lay them out in the purchase of shares, especially since the depreciation amounted to between sixty and seventy per cent. The company thus became creditors of the king to the extent of a hundred millions of livres, the interest of which sum was fixed at the rate of four per cent.

Law, who had now advanced high in the regent's favor, was, of course, named director-general of the Company of the West, and thus intrusted with the development of his own stupendous project. Louisiana having been represented as a region abounding in gold and silver, and possessing a fertile soil capable of the highest cultivation, the actions or shares were bought up with the greatest avidity; and such was the rage for speculation, that the unimproved parts of the colony were actually sold for 30,000 livres the square league. In pursuance of the scheme, the farm of tobacco was made over to the company at an advance of rent exceeding two millions of livres. Soon afterwards they acquired the charter and effects of the Senegal Company; and this was succeeded by a still more important acquisition, namely, the exclusive privilege of trading to the East Indies, China, and the South Seas, together with all the possessions and effects of the China and India companies, now dissolved, upon the condition of liquidating all just claims against them. Upon this occasion, the Company of the West assumed the title of Company of the Indies; and 50,000 new shares were ordered to be constituted, at 550 livres each, payable in coin. The price of actions quickly rose to 1,000 livres each. On the 25th of July, 1719, the mint was made over to this company for a consideration of fifty millions of livres, to be paid to the king within fifteen months; on the 27th of August following, the regent took out of the hands of the farmers-general, and made over to them the great farms, for which they agreed to pay an advance of rent of three millions and a half of livres; and, on the 31st of the same month, they also obtained the general receipt or collection of the other branches of the king's revenue. Having acquired all these grants, and thus concentrated in themselves not only the whole foreign trade and possessions of France, but also the collection and management of the royal revenues, they promised an annual dividend of 200 livres on every share; the price of actions instantly rose in the market to 5,000 livres; and the public ran with such eagerness upon the last creation of stock, that nearly double the requisite sum was subscribed, whilst the greatest interest was exerted, and every stratagem put in practice, to secure places in that subscription. The frenzy now became general. A rage for the acquisition of shares in the India Company seized and infatuated all ranks in the kingdom. Clergy and laity, peers and plebeians, princes and

peasants, statesmen and magistrates, nay, even ladies, all, in short, who either had or could procure money for the purpose, turned stockjobbers, out-bidding each other with such avidity that, in November, 1719, the price of shares rose to above 10,000 livres, or (when the depreciation of the *billets d'état* is taken into account) more than sixty times the sum they originally sold for. Nothing was talked of but actions; every place echoed with Mississippi and Quinquempoix.* All classes appeared to have but one object, one pursuit. Mechanics laid aside their work, tradesmen forsook their shops, and persons of all grades neglected their professions or employments, to embark in this new occupation; whilst even the few who observed some degree of moderation, showed by their conduct how little concern they took in affairs foreign to the Mississippi scheme.† The delirium had reached its culminating point.

Mr. Law now blazed a meteor of unequalled splendor. He possessed the ear of the Duke of Orleans; he was almost adored by the people, ever ready to worship at the shrine of the idol of the hour; and he was surrounded by princes, dukes, peers, marshals, and prelates, who all courted his friendship, and even seemed ambitious of his patronage. Nobles were content to wait in his ante-chamber, like the meanest subjects; and ladies of the highest quality employed every artifice, sometimes at the risk of their necks, to attract his passing notice.‡ The property which he acquired was immense. He purchased no less than fourteen estates, with titles annexed to them, and amongst these the marquisate of Rosny, which had belonged to the illustrious Sully, the friend and minister of Henry IV. About this period, too, a free pardon for the murder of Mr. Wilson was conveyed to him from England; and Edinburgh, proud of having produced so great a personage, transmitted to him the freedom of the city in a gold box. By his abjuration of the Protestant religion, the only obstacle which stood in the way of his advancement to the highest offices in the state was soon afterwards removed, and, on the 5th of January, 1720, he was appointed comptroller-general of the finances. A few days previous to this, the

* The street where the stockjobbing was at first carried on.

† The unexampled rise in the price of actions enabled obscure and humble individuals to acquire at once princely fortunes; and many amusing anecdotes are told of persons thus suddenly raised to affluence. A footman having realized a large sum, provided himself with a carriage; but the first day it drew up at his door, obeying the instinctive habit of his calling, he, instead of stepping into the vehicle, mounted up to his old station behind it. Another of the same fraternity, who had obeyed the like familiar impulse, endeavored adroitly to cover his mistake by pretending that he got up merely to see if there was room at the back for two or three more lacqueys, whom he was resolved to hire instantly. Law's coachman had made so great a fortune that he asked a dismissal from the service of his master, which was granted on condition of his procuring another as good as himself. Cook-maids and waiting-women appeared at the opera bedizzened with jewels and finery; many who had not a dozen livres in the world, suddenly "tumbled from a garret into a carriage;" and the son of a baker at Toulouse, being desirous of having a superb service of plate, purchased the contents of a goldsmith's shop for 400,000 livres, and sent them home to his wife, with orders to set them out properly for supper. In a word, property underwent a new and most grotesque distribution.

‡ The regent's mother asserts, in one of her letters, that "*si Laws le vouloit, les femmes Françaises lui baiseroient la derrière*;" a strong expression, certainly, but one which shows that all ideas of delicacy, or even decency, were absorbed by the cupidity and avarice which had taken possession of the public mind.

Academy of Sciences had elected him one of its honorary members; and the flattering incense of poetry was offered up at the same shrine with the homage of an infatuated people. Thus the astonished world beheld an obscure foreigner, of doubtful reputation and questionable character, rise in a few months from a private condition to the high station of prime minister of France, and govern for a time, with almost absolute power, one of the greatest and most enlightened nations of Europe. It might well be said of him, *Tollitur in altum ut casu graviore cadat*.

But after having raised himself to such an unexampled eminence, Law at length fell a sacrifice to the intrigues of the other ministers, who, partly from envy, and partly from apprehension, combined with ignorance, undermined the insecure fabric he had reared, and thus precipitated its fall. The credit of the bank and of the India Company had attained its height in November, 1719, when shares of the latter sold for more than 10,000 livres each, and money was so abundant in the former that the directors agreed to lend any sum upon proper security at two per cent. But amidst the general delirium, there were symptoms which evidently betokened an approaching revulsion. The most alarming of these was a constant drain of specie from the bank, either for the purpose of being hoarded or sent abroad. Astonished at their exorbitant gains, the original proprietors of the company thought only of converting their shares into gold, and realizing the fortunes which they had so suddenly acquired; and it was computed that not less than 500 millions of livres, the property of persons of this description, had been sent out of France. To avert the danger which thus threatened the system, several edicts were issued early in 1720, by which payments in specie were restricted to small sums, and the standard of the coin was kept in continual fluctuation, whilst bank-notes were declared to remain invariable, and rents, taxes, and customs were made payable in notes. But what crowned all was the edict of the 27th February, 1720, prohibiting individuals, as well as secular or religious communities, from having in their possession more than 500 livres in specie, under the penalty of a fine, and confiscation of all sums found exceeding that amount; a measure which could scarcely fail to sow distrust in the bosom of families, and to excite alarm in the public mind. Still the delusion prevailed. On the 23d of February, a few days before the publication of this edict, the Royal Bank had been incorporated with the company, and the king not only remained guarantee of the bank-notes, but gave up to the company all the profits made by the bank since December, 1718, when the government had taken it into its own hands. Meanwhile, the manufacture of notes proceeded with so much activity, that, by the 1st of May, 1720, paper-money had been fabricated to the amount of more than 2,600 millions of livres, or nearly £110,000,000; whilst the specie in the kingdom was estimated at only 1,300 millions of livres, or about £52,000,000 sterling. In this state of matters, Cardinal Dubois and M. D'Argenson represented to the regent that it had become necessary to equalize the proportion between the notes and the coin, either by reducing the value of the one to the extent of a half, or by doubling that of the other.

This extraordinary point was debated in council, where it was opposed by some of the members, amongst whom was the comptroller-general, who strenuously contended for letting matters remain as they were; but the majority being in favor of the proposition for lowering the value of the

paper, it was decided accordingly; and, on the 21st of May, 1720, an edict was issued, which contrary to all sound policy, and even to the most solemn stipulations, reduced the value of the company's bank-notes one-half, and fixed their action or shares at 5,000 livres. By this unjustifiable and fatal step, the whole paper fabric was destroyed in an instant, the notes lost all credit, and next day a man might have starved with 100 millions of paper money in his pocket. The consternation with which all ranks were seized was soon converted into rage, and it became necessary to station troops in different parts of the capital, to prevent the consequences to be apprehended from the fury and despair of the populace. Disorder and confusion reigned everywhere; seditious and inflammatory libels were posted up and distributed; and the life of the regent himself was threatened. Even in this season of calamity, the French exemplified the indestructible gaiety of their national character, by sporting with their own misfortunes in jests and epigrams. The following hebdomadal record is, perhaps, unique amongst *jeux d'esprits*.

Lundi j'achetai des actions;
Mardi je gagnai des millions;
Mercredi j'arrangeai mon ménage;
Jendi je pris un équipage;
Vendredi je m'en fus au bal;
Et Samedi à l'hôpital.

The Abbé, afterwards Cardinal, de Tencin, having had the principal share in Mr. Law's conversion, a service for which he was rewarded by the bishopric of Grenoble, is thus addressed by a malicious epigrammatist:—

Poin de ton zèle séraphique,
Malheureux Abbé de Tencin!
Depuis que Laws est Catholique,
Tout le royaume est Capucin.

Some conception may be formed of the distress of the people, when it is considered that at the time when the bank thus stopped payment, and the value of paper money instantly sunk to zero, not less than 2,235,085,590 livres, or upwards of £90,000,000 sterling in notes, were in circulation. Law was, of course, peculiarly obnoxious to popular odium, which he endeavored in vain to allay by resigning into the hands of the regent his office of comptroller-general, on the 29th of May; but, though several times exposed to imminent danger, from the vengeance both of the parliament and the people, he remained in France until towards the close of the year 1720, when he withdrew to Brussels; and soon afterwards his whole property was confiscated, and his brother William sent to the Bastile.

Law arrived at Brussels on the 22d of December, 1720, and, after waiting there for some time, in the vain expectation of being recalled to France, set out for Venice, which he reached early in January, 1721; he then visited other places on the Continent, and, in October, arrived in England, for the ostensible purpose of pleading the king's pardon. He was at first well received, and visited by persons of distinction; but when it was discovered that the fallen financier was in a state almost bordering upon destitution, his friends began to fall off, and, of those who had known or perhaps courted him in his day of power, he could find none good-natured enough to lend him a thousand pounds. In a letter addressed to Mrs. Howard, afterwards Countess of Suffolk, he calls that lady his "only friend;" an

avowal which affords a striking instance of the instability of fortune, power, and friendship. After residing some years in England, this extraordinary man returned once more to the Continent, and closed his checkered career at Venice, where, on the 21st of March, 1729, he died in a state but little removed from indigence, in the fifty-eighth year of his age. Lady Catherine Knollys, with whom Law had eloped, as formerly mentioned, but whom he subsequently married, survived him several years, having died in 1747. Soon after his death appeared the following epitaph, the point of which reminds us of the bitter jests which appeared upon the occasion of his fall:—

Ci gît cet Ecossois célèbre,
Ce calculateur sans égal,
Qui, par les règles de l'algèbre,
A mis la France à l'hôpital.

Even if it had not been interrupted by the edict of the regent, Law's project was too insecure in principle to have proved permanent. The favorite maxim inculcated by Law, and upon which his whole fabric of the Mississippi system was reared; namely, that the power and prosperity of a nation increase in proportion to the quantity of money circulating therein, and that, as the richest nations have not specie sufficient to afford full employment to their inhabitants, this defect may be supplied by paper credit; involves a dangerous fallacy, even in the most restricted view that can be taken of its application, inasmuch as it implies that paper money may be issued with advantage to an almost unlimited extent, upon general security; and that its credit, or, in other words, its value, may thus be maintained without its being rendered convertible at pleasure into cash. But all experience has proved that this is absolutely impossible. When paper is in excess, in comparison with the total amount of gold and silver currency, it necessarily becomes depreciated; the prices of commodities experience a corresponding rise; the nominal value of the precious metals is increased in proportion to the amount of the depreciation, of which this increase is the only measure, and they disappear from circulation. All existing contracts and obligations are disturbed; debtors benefited at the expense of creditors; a spirit of reckless speculation and adventure is thus engendered; and, after a time, the crisis of revulsion and ruin arrives. Whenever the quantity of money in circulation is too great in proportion to the total amount of commodities to be circulated by it, depreciation is the necessary consequence, or, in other words, a proportional rise in the price of commodities. Money has no creative power, as Law seems all along to have imagined, and can never be in excess without endangering "the power and prosperity" of the nation where this is the case. His whole system, therefore, was built upon a sandy foundation, and, even if it had received no rude or sudden shock, would have fallen to pieces from its own insecurity and instability. At the same time, there is much truth in an observation of Mr. Burke, in his *Reflections on the French Revolution*. "It is not true," says he, "that Law built solely on a speculation concerning the Mississippi; he added the East India trade, he added the African trade, he added the farms of all the farmed revenue of France; all these unquestionably could not support the structure which the public enthusiasm, not he, chose to build on these basis. He laid the best foundation that he could, perhaps the best which, in the circumstances, it was possible to lay;

but the nation went suddenly mad, an event which he could scarcely have foreseen; the company was hurried onwards by the general frenzy; and when the delirium had reached its height, the regent was advised to issue the fatal edict, which levelled the whole fabric to the dust.

(See *Œuvres de LAW*, passim; *Histoire du Système des Finances*, tom. i.; *Memoires de la Minorité de LOUIS XV.*; *Memoires de la Regence de M. LE DUC D'ORLEANS*, tom. i.; RICHELIEU, *Mémoires*, tom. iii.; VOLTAIRE, *Siècle de LOUIS XV.*; CHALMERS *Biog. Dict.*, art. "LAW;" WOOD, *Life of JOHN LAW of Lauriston*, Edinburgh, 1824.)

ON THE RATES OF INTEREST.

On the Rates of Interest for the use of Money in Ancient and Modern Times. By WILLIAM BARWICK HOGDE, Esq., Vice-President of the Institute of Actuaries and Fellow of the Statistical Society of London.

PART FIRST.

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THE object of the actuary, in applying the science of vital statistics to pecuniary transactions, being to determine the values of payments dependent upon conditions of human survivorship, and therefore necessarily deferred for periods of longer or shorter duration, it is obvious that the rate of interest at which money may be increased is an element of his calculations, nearly if not quite as important as the probable risk of mortality that may affect the lives involved. The labors of actuaries have been generally directed to determining with precision the laws of mortality, rather than towards the present more humble branch of inquiry—the usefulness of which, however, must always become apparent with the earliest professional experience. Believing that an extensive and well-digested collection of facts relating to the rate of interest would lead to some valuable and important conclusions as to future fluctuations, I trust that the present attempt to contribute to such a result will not be without interest for the members of the Institute, although I make no pretension to give a complete view of the whole subject, still less to discuss the important and intricate questions arising out of it; my object being merely to offer a general historical sketch, leaving the full prosecution of the inquiry to others possessing more leisure and better qualifications for the task. Apart from its professional, the subject is one of historical interest. Men's pecuniary affairs afford unfailing indications of their characters, habits, and inclinations; and it has been truly remarked by a philosophical writer, that "a right measure and manner in getting, saving, spending, giving, taking, lending, borrowing and bequeathing, would almost argue a perfect man." [Taylor: *Notes from Life*, p. 2.] What is true in this respect of individuals, is true to nearly the same extent of communities; and hence

the conviction, becoming every day more general, of the importance of financial for the illustration of general history.

The practice of lending upon usury, or *at a profit* (for that was the original meaning of the term), was probably coeval with the earliest use of money, and may possibly have preceded it, judging from some expressions that occur in Scripture. The organization of mankind in civilized society, must soon have led to commercial operations more complicated in character than direct and immediate exchange; and when any thing in the shape of credit was established, men would speedily discover the principle so concisely laid down by Ulpian, the Roman jurist—"Minus solvit qui tardius solvit." [*Justin. Dig.*, L. tit. xvi. 12.] At any rate, we find the custom referred to in the books of Moses in a manner that proves it must have been generally understood and practised before his time (B. C. 1490); and its extensive influence upon the social condition of both the Greek and the Roman people, is shown by the earliest authentic records of their histories that we possess.

The term "usury," said to have been derived from a Hebrew expression, signifying "that which bites," was originally applied to all profit paid for the use of money. Hume speaks of the adoption of the word "interest" as "a lucky accident in language, which has great effect on men's ideas" (*Hist. Eng.*, Appendix No. III.); and seems to have supposed that the difference in the term reconciled men to the practice of usury; but this is not correct, as the word was in use long before usury was made legal. Interest—derived from "*interesse lucri cessantis*," a term of the canon law—was allowed by that law to be claimed as a compensation for the non-payment of money due, although a contract to take interest for forbearance was unlawful. The distinction is so fine that I despair of being able to describe it accurately; but it appears that the two words have always had the same relative meaning—that interest was lawful usury and usury unlawful interest. When, therefore, usury to the extent of ten per cent. per annum was legalized, profits not exceeding that rate upon loans ceased to be usury, and became interest; but when the legal rate was reduced to eight per cent., ten per cent. ceased to be interest and became usury. Professor De Morgan illustrates this, as he does every subject upon which he writes, with much curious learning. (See *Companion to the Almanac for 1851*; art., "On some Points in the History of Arithmetic.")

In the twenty-fifth chapter of Leviticus, after this injunction to the Israelites (ver. 35)—"And if thy brother be waxen poor, thou shalt relieve him"—it is further commanded (ver. 37)—"Thou shalt not give him thy money upon usury, nor lend him thy victuals for increase;" and in the twenty-third chapter of Deuteronomy a similar prohibition, of a more general character, is to be found (ver. 19, 20)—"Thou shalt not lend upon usury to thy brother usury of money, usury of victuals, usury of any thing that is lent upon usury; unto a stranger thou mayest lend upon usury, but unto thy brother thou shalt not lend upon usury." Although laid down in such clear and positive terms, this law, as has been the case in all ages of the world, with all laws of a similar kind, was frequently broken, and severe denunciations were uttered against the transgressors.

In the Book of Ezekiel (xviii. 13.), he that "hath given forth upon usury, and hath taken increase," is placed in the same class and threatened with the same judgments as the idolater and the adulterer, the robber and

the shedder of blood; and that the offenders were neither few in numbers nor obscure in station appears from the fifth chapter of Nehemiah, wherein, after relating that, while engaged in rebuilding the walls of Jerusalem, (B. C. 445,) the people complained of their debts, which compelled them to mortgage their lands and sell their children into bondage, the prophet goes on to say (ver. 7)—“and I rebuked the nobles and rulers, and said unto them, Ye exact usury every one of his brother.” (Ver. 10)—“I likewise, and my brethren and my servants, might exact of them money and corn; I pray you, let us leave off this usury.” (Ver. 11)—“Restore, I pray you, to them, even this day, their lands, their vineyards, their oliveyards and their houses; also the hundredth part of the money, and of the corn, the wine and the oil, that ye exact of them.”

The “hundredth part,” here referred to, is said by the commentators to mean “the hundredth part of what was lent for a month, or twelve per cent. for the whole year,” which is supposed to have been the usual rate of interest in Judea at the time. The ordinary Jewish year consisted of twelve months; but their calendar was so imperfect, they were compelled to intercalate a month every second or third year, so that in the average of years from $\frac{1}{2}$ to $\frac{1}{3}$ per cent. was paid in addition to the annual rate above mentioned; and if the monthly payments were regularly exacted the total interest would be equivalent to from 13·016 to 13·183 per cent., paid yearly. As frequent reference will be made to monthly payments of interest, the following table may be found useful to show the proportion which, under such circumstances, the actual interest received in a year bore to the nominal annual rate:—

Annual Rate per Cent.		
Monthly Rate per cent.	Nominal.	Actual.
$\frac{1}{2}$	3	3·042
$\frac{1}{3}$	6	6·168
1	12	12·683
2	24	26·824
3	36	42·576
4	48	60·103
5	60	79·586

These results are founded on the assumption that the lender received his interest regularly at the expiration of each month, and could put it out again at a similar rate. It is not necessary there should have been any agreement for the payment of compound interest, although, if there had been, the effect to the lender would have been precisely the same, the only difference being that he would have received the extra interest from the original borrower instead of receiving it from others.

The restitution enjoined by Nehemiah appears to have been made, but the practice he complained of went on increasing until the time of our Saviour, when it had become so common that, as we learn from the parable of the talents, bankers were regularly established at Jerusalem who took money on deposit and allowed interest thereon, of course with the view of lending it to others at a higher rate. (St. Luke xix. 23.)

Greece.—Our earliest information as to the social state of the people of Athens is contained in Plutarch's account of the distress and suffering existing in the time of Solon, arising from the inability of the poor to discharge the debts they owed to the rich, who are described by the historian

as usurers. [*Life of Solon.*] The distress was so severe as to threaten a political convulsion; and Solon was, by general consent, appointed Archon, (B. C. 594,) in the hope he would be able to apply a remedy to the evil, which must have reached a perilous extent to have required such measures as he persuaded the Athenians to adopt. An entire remission of their obligations was granted to the poorer classes of citizens, while the wealthier debtors were relieved by a depreciation of the currency to the extent of 27 per cent. [Grote: *Hist. Greece*, iii. 132.] Such, at least, is the generally received account of the celebrated *seisachtheia*, or shaking off of burdens; although Plutarch mentions some writers who asserted the debts were not actually cancelled, and that it was only by moderating the interest payable upon them that their pressure was lightened.

"At Athens," says Mr. Grote, "no restriction was ever imposed upon the rate of interest, the rate being declared free by a law attributed to Solon himself." "The same," he continues, "may probably be said of the communities of Greece generally; at least there is no information to make us suppose the contrary. [*Hist. Greece*, iii. 149.] Bœckh, in his *Public Economy of Athens*, [translated by Sir G. C. Lewis, Lond. 1842, p. 130.] states that the only Athenian law regulating the rate of interest was an enactment by Solon, that if a man separated from his wife and did not repay the amount of her dowry, he was to pay interest upon it at the rate of 18 per cent. per annum; and he conjectures that this rate was fixed upon because it was the usual one at the time, although it seems possible that a penalty might be intended.

The lowest rate at Athens, according to the same writer, was 10 per cent. per annum, and the highest 36 per cent., [*Ibid.*, p. 125.] the ordinary rate being from 12 to 18 per cent. [*Ibid.*, p. 130.] The terms of some contracts have been handed down to us, and the rates seem to have varied considerably, even upon the same security. Thus we find that Æschines, the philosopher, being minded to establish a manufactory of ointments, borrowed money of a banker for that purpose at 36 per cent. per annum, but found the speculation a losing one (perhaps from not sufficiently advertising his wares) until he obtained the money from another person, at 13½ per cent. [*Ibid.*, p. 131.] Æschines, who is not to be confounded with the celebrated opponent of Demosthenes, was a disciple of Socrates, and must therefore have been living about 400 B. C.

The rate of 36 per cent., heavy as it may seem to us, will hardly appear so extravagant when compared with a Decree of the Korkyræn Senate, preserved in an ancient inscription, relating to the investment of a sum of public money, which shows, according to Mr. Grote, that 2 per cent. for a month, or 24 per cent. per annum, might be obtained from perfectly solvent and responsible borrowers. This inscription dates about the third or second century B. C., according to Bœckh's conjecture. [*Hist. Greece*, iii. 145.] The inhabitants of Clazomenæ, the modern Vourla, a city of Ionia, "paid the commanders of their mercenary troops four talents a year as the interest of a debt of twenty talents, being at the fifth part, or 20 per cent." [Bœckh, p. 131.]

We may form some idea of the probable returns received upon money invested in the purchase of property in Attica, from the mode in use there of assessing the contributions of the citizens to the public revenue. The principle that has recently been propounded and advocated with so much

ability in this country, of taking the capitalized value of each person's property as the measure of his liability to taxation, seems, in a less complicated form, to have suggested itself to many infant communities. It prevailed in the early periods of our own history, is now adopted where direct taxation is levied in the United States, and was the foundation of the fiscal systems both of Athens and of Rome. The citizens of Athens were divided, according to the regulations of Solon, into four classes;—1. Those whose annual revenue exceeded 500 *medimni* of wheat; 2. Those who received between 300 and 500 *medimni*; 3. Those who received between 200 and 300; 4. Those who received less than 200. The last were not liable to pay any portion of the public taxes, which were levied upon the other three classes by a percentage upon the value of their property, estimated by taking the income of the first class at twelve, of the second at ten, and of the third at eight years' purchase. [Grote, iii., 155.] Although this scale may seem to favor the notion of a graduated property tax, sometimes advocated by men of extreme opinions in modern times, it was more probably founded upon the principle adopted in this country of relieving the lower classes of income from taxation. This may be inferred because the minimum income, among those who paid the highest rate of assessment at Athens, was comparatively low. The *medimnus* was about $1\frac{4}{5}$ of our bushel; and consequently, the first class, or "*Pentacosio-medimni*," as they were called, had an annual revenue equal to, or exceeding $87\frac{1}{2}$ quarters of wheat, which, at the high price of 70s. per quarter, would only be equivalent to £306 5s. sterling. The lowest incomes of the second class would, on a similar computation, be equal to £183 15s., and of the third to £122 10s. per annum. As all incomes below the last were free from taxation, the Athenian standard of exemption did not apparently vary in any great degree from our own, which has been fixed first at £150, and then at £100 per annum.

From these facts it appears to be a probable assumption, that in the times to which they refer, twelve years' purchase was, in Attica, about the market value of property, which would therefore yield an annual return of rather more than 8 per cent. The latter is the rate assigned by Boeckh, who cites in confirmation of his views two cases of property let at that rate, the particulars of which he gives. [Boeckh, pp. 141, 142.] The condition of Greece during the period under consideration, divided into many small states constantly engaged in mutual warfare, must have materially affected the security, and, therefore, the productiveness and value of property, particularly in land or houses, which were especially exposed to devastation. When the different communities were united under the Romans, it is not improbable that the relative value of property may have been increased; unless, indeed, the exactions of Proconsuls, and the benumbing influence of foreign dominion outweighed the advantages of peace.

The great disproportion between the charges upon loans and the returns upon capital invested in property, has led to the supposition that either the practice of money-lending was very unpopular in Greece, or that the legal machinery for the recovery of debts was inefficient: perhaps, both causes contributed to the result. The Greeks appear, however, to have established a public registration of debts; the introduction of which into this country, first attempted in the time of Cromwell, has not yet been accomplished. In Attica, it was customary to set up, upon lands that were mortgaged, pillars of stone, bearing inscriptions recording the nature of the several transac-

tions; [Smith's *Dict. of Antiq.*; art., "Fenus;"] and Plutarch, in proof that Solon had procured an abolition of debts, refers to the poems of the latter, in which he boasts that he had removed the marks of mortgage from the lands. [*Life of Solon.*] It appears further, that among the Greeks it was customary for a borrower to execute a document similar to an English warrant of attorney to confess judgment. [Smith's *Dict.*; art., "Fenus."]

Rome.—In Rome as in Athenian history, our earliest view of the condition of the people discovers a crowd of unfortunate or improvident debtors, borne down by the heavy interest exacted by their creditors. For the first three centuries of the city, there was no legal limitation to the rate of interest, which, during that period, was determined either by general custom, by special agreements, or, according to Tacitus, by the greediness of the rich. From him we learn that a law of the Twelve Tables (A. U. C. 304, B. C. 450) forbade the exaction of more than the *unciarium fœnus*; [*Annal.*, vi. 16;] but the precise rate intended by that expression has been the subject of much discussion and widely differing opinions. It has been supposed that before the period of the Twelve Tables, the ordinary rate was the *centesima*, which, being 1 per cent. for a month, would be 12 per cent. per annum; and that the *unciarium fœnus* was one-twelfth of the ordinary interest, and consequently only 1 per cent. for a year. [Bekker's *Tacit.*: Leipsic, 1831: i. 391.] Others have considered that *usura unciaria* was but another name for *usura centesima*, or, as above mentioned, 12 per cent.; [*Facc. & Forc.*, v. "Uncia." See also *Defense de l'Esprit-des Lois*: art., "Usure;"] while some have even asserted that it meant one-twelfth of the whole capital for a month, or 100 per cent. per annum. [Arnold's *Hist. Rome*, i. 284.]

The first of these opinions was the prevalent one until the time of Niebuhr, notwithstanding the improbability of such a very low rate—an improbability greatly increased by the fact, that the first Decemvirs, who framed the law, were all of the patrician order, to which the money lenders generally belonged. Influenced by the last consideration, and by the silence of Livy, who does not mention the law, Montesquieu, assuming that 1 per cent. per annum was meant by the expression referred to, went so far as to declare that no one conversant with the history of Rome could believe such an enactment to have been among the laws of the Twelve Tables; adding, that Tacitus had evidently mistaken for one of these, a law to the same effect passed nearly one hundred years later (A. U. C. 398, B. C. 356), [*Esprit des Lois*, liv. xxii., chap. 22,] by the Tribunes Duellius and Menenius. [The words of Tacitus, so often quoted, are clear and precise:—"Nam primo duodecim tabulis sanctum ne quis unciario fœnore amplius exerceret, cum antea ex libidine locupletium agitaretur."—*Annal.*, vi. 16.]

This assertion, of itself sufficient to discredit the interpretation upon which it was founded, called forth an expression of indignant surprise from Gibbon—who admitted, however, that the explanation of 1 per cent. per annum was maintained by the best critics and civilians. He appears to have been by no means satisfied with their decision; but, overborne by the weight of authority, he merely pointed out that the subject was perplexed with difficulties; and in reply to Montesquieu's objection, could only urge that "the wiser or more virtuous patricians might sacrifice their avarice to their ambition, and might attempt to check the odious practice by such interest as no lender would accept." [*Hist. Dec. & Fall*, chap. 44. *Note.*]

Gibbon's suggestion was considered inadmissible by Niebuhr, who has devoted a chapter of his *History of Rome* to the consideration of *the uncial interest*. [*Trans. of Hist. Rome*: London, 1842: iii. 54.] He agreed, however, in rejecting the supposition of such an error on the part of Tacitus, whose assertion he moreover sustained by a citation from the works of Cato, showing that some law regulating the rate of interest was enacted by the Twelve Tables.

Niebuhr, after examining the principal theories that had been published upon the subject, came to the conclusion they were erroneous, inasmuch as they were all founded upon the idea of a monthly rate of interest—a mode of calculation which, although common in other parts of the ancient world, he believed not to have been introduced at Rome before the time of Sylla. Taking the capital as the unit and the period as a year, he considered the *unciarium fœnus* to mean one-twelfth of the amount advanced for that term, or $8\frac{1}{3}$ per cent. per annum. According to him, however, the old cyclic year of ten months was intended, so that for the full civil year of twelve months the rate became ($8\frac{1}{3} \times \frac{4}{3} =$) 10 per cent. [*Trans. of Hist. Rome*, iii. 58.] This, as we have seen, was, about the same period, the minimum rate at Athens, and not much below the ordinary rate in Judea, facts confirming the probability of Niebuhr's explanation: which, indeed, is the only one free from objection, and appears now to be generally adopted.

It is probable that this law was observed, or at least only secretly evaded, until the destruction of Rome by the Gauls (A. U. C. 364–365, B. C. 390–389), as up to that period we do not find any further complaints of excessive usury; but amid the distress and scarcity of money that existed during the rebuilding of the city, interest became excessively high, and complaints were made that the principal of debts was often paid many times over in interest before they had been standing five years [Arnold, ii.; Livy, vi., 14]—an assertion which, if literally true, shows that the rate could hardly have been less than 60 per cent. per annum. It is uncertain whether this state of things arose from the repeal of the law of the Twelve Tables, or from its having fallen into desuetude. Niebuhr supposed it probable the law might have been abolished to attract from other parts of the world the capital requisite for the reconstruction of Rome. About forty years afterwards (A. U. C. 398, B. C. 356) the *unciarium fœnus* was again fixed upon as the highest legal rate. [Livy, vii. 16.] This law, passed during the tribuneship of Duellius and Menenius, is the one referred to by Montesquieu, already mentioned, and was supposed by him, erroneously, as Niebuhr shows, to have been the first that regulated the rate of interest at Rome.

In a very few years (A. U. C. 408, B. C. 346) the legal rate was reduced to the *semiunciarium fœnus*, [Livy, vii. 27.] which was, according to Niebuhr, 5 per cent. per annum; but only one-tenth of that rate, or one-half per cent., according to the theory advocated by the “best critics and civilians.” Five years later, (A. U. C. 413, B. C. 341,) in a time of great public commotion, and amid distress so severe and universal as to cause a general bankruptcy or entire abolition of all debts, the practice of taking interest for money was altogether forbidden, and he who received more than he had advanced was rendered liable to a fourfold restitution. [Arnold, ii. 126.] We are not acquainted with full details of the circumstances that led to this great change, but it was preceded by a secession of the plebeians and a

revolt of the legion serving in Campania, who deposed their officers and marched upon Rome, liberating all those they met with that had been enslaved for debt.* It would be contrary to all experience to suppose that this prohibition was effective. Many instances, however, are recorded of the infliction of penalties for the breach of the law, and severe sentences are said to have been passed upon usurers; [Livy, ii. 28;] which we may readily believe, as the offenders were tried by the popular assemblies [Niebuhr, iii. 53], the majority of whom were debtors. That heavy fines were imposed, may be inferred from the statements of Livy [Livy, x. 23] and of Pliny, [Arnold, ii. 300,] who describe extensive embellishments of the city effected in two separate years, the expenses of which were defrayed out of the penalties paid by usurers. There can be no doubt that the government acted up to the principle of the law, for we find that immediately after the battle of Cannæ, when the fortunes of Rome appeared to be at their lowest ebb, the Senate raised large sums of money from the companies of *publicani*, or farmers of the public revenue, but these loans did not bear any interest, the lenders being entitled to receive back no more than the sums actually advanced, and that only at the conclusion of the war.

The prohibition of usury was at first confined to transactions between the citizens of Rome, and the law was easily evaded by making loans in the names of the inhabitants of the Latin or allied cities, who, although they had many of the privileges, were not allowed the full dignity, of Roman citizenship. The Sempronian law was passed (A. U. C. 561, B. C. 193) to prevent such evasions, and extended the same prohibition to the Latins and Allies. [*Esprit des Lois*, liv. xxii., chap. 22]. Recourse was then had to the Provincials, or inhabitants of the conquered provinces, until the Gabinian law (passed A. U. C. 615, B. C. 139) forbade them also to lend upon usury.

How long this general prohibition remained in force is not known; but in the time of Sylla (A. U. C. 672, B. C. 82) the *centesima*, or 1 per cent. for a month, was recognized as the usual and legal rate of interest. Here we are again in doubt whether the alteration was effected by a special enactment or by the force of general custom. [Smith's *Dict.*; art., "Fenus."] Probably the former was the case, as the policy of the republic respecting usury seems to have varied according to the preponderance of the aristocratical or of the plebeian party, with each of which it appears indeed to have been one of the leading objects of contention. In most great human struggles, pecuniary interests will be found, upon close investigation, to be the moving causes, however disguised they may be, and however remote or improbable they may appear to casual observers.

Although the Provincials were forbidden to receive interest at Rome, they had full liberty in their native countries to pay any rate at which they might find it convenient to borrow. "Les provinces romaines," says Montesquieu, "etoient désolés par un gouvernement despotique et dur."

* Dr. Arnold strives hard, under the plea of public necessity, to reconcile this proceeding with the veneration for every species of engagement which he ascribes to the Romans. Not being aware of all the circumstances, we are not able to judge accurately of the necessity; but the historian wanders far from the paths of strict logic when he compares such wholesale confiscation with the modern practice of forcing a man to sell his house or his estate at a valuation fixed upon by others, in order to facilitate the construction of a canal or a railway.—(See *Hist. Rome*, ii. 120, 126.)

Ce n'est pas tout; elles l'étoient encores par des usures affreuses." [*Esprit des Lois*, liv. xxii., chap. 22.]

I have already alluded to the companies of *publicani* who farmed the revenues of the Government, and who, according to Niebuhr, form a parallel to the money dealers of the eighteenth century. The privilege of sharing in them was the exclusive right of the citizens of Rome, who found in the conquered countries ample opportunities for indulging those usurious propensities that were so rigidly restrained in the metropolis. "Whenever, for instance, a contribution was to be raised, the *publicani* were immediately ready to offer the money at an interest of at least 12, but sometimes 24 or even 36, per cent., and the governors of the provinces took care that the debts were paid." [Niebuhr's *Lectures*: London, 1848: i. 266.]

Cicero, when he entered upon the government of Cilicia, issued an edict fixing the rate of interest at 1 per cent. for a month, with interest upon interest at the end of the year. [*Esprit des Lois*, liv. xxii., chap. 22.] The proconsuls, therefore, had the power of regulating the rate within their respective provinces; but we may presume they rarely exercised it to diminish the profits of the lenders, who were for the most part their immediate dependents and connections, they themselves joining frequently in the transactions. "The virtuous Brutus," says Adam Smith, "lent money in Cyprus at 48 per cent., as we learn from the letters of Cicero. [*Wealth of Nations*, book i., chap. 9.] This transaction was a loan to the inhabitants of Salamis, a town of that island; and to enable him to engage in it, Brutus obtained the authority of a *senatus consultum*. Pompey the Great lent Ariobarzanes, King of Cappadocia, the sum of six hundred talents, and exacted for it an annual interest of more than 60 per cent. [*Esprit des Lois*, xxii. 22.]

The knowledge of such an investment might have diminished the astonishment of Gibbon at the vast wealth of Pompey; but it will hardly be thought compatible with the praise publicly bestowed upon him, of being remarkable among the Roman generals for moderation and disinterestedness. [Gibbon's *Miscell. Works*: London, 1837: p. 483.] Ariobarzanes followed the fortunes of Pompey to Pharsalia, perhaps in the hope of obtaining further accommodation on the same easy terms.

A passage in Tacitus, which records that informers, in the time of Tiberius, were very active in denouncing those who had lent money in contravention of the regulations laid down by Cæsar the Dictator, [*Annal.* vi. 16,] has led to the belief that under Julius Cæsar a law was passed limiting the rate of interest. The law in question is supposed to be the *Lex Julia de Fœnore*, [Smith's *Dict.*; art., "Fenus,"] and to be referred to by Cæsar himself at the commencement of the third book of his History of the Civil War. He gives no further information upon the subject than the statement that the debtors were to be freed from their liabilities upon giving up their whole property to their creditors at a fair valuation; and he leaves unnoticed an important condition mentioned by Suetonius, [*Life of J. Cæsar*, xlii.,] that all sums previously paid for interest were to be deducted from the principal: the creditors are said to have been deprived by this of more than one-fourth of their claims. The condition as to the deduction of interest was precisely similar to one that had formed part of the Licinian Laws, passed in an early period of the Republic (A. U. C. 384, B. C.

370), after many years of fierce conflict between the patricians and the plebeians. [Livy, vi. 35; Arnold, 234.] It would of course have been equivalent to a total prohibition of usury, if made a permanent provision of the Julian law.

It is certain that the latter materially curtailed the profits of the lenders, who upon its revival, after it had lain so long dormant, immediately began to call in their loans, occasioning thereby great distress to the borrowers, for whose protection the law was specially intended. The whole senate, too, was thrown into consternation, as every one of the conscript fathers, according to Tacitus, had been guilty of an infraction of the law. Tiberius gave time to the lenders to put their transactions upon a legal footing; and in order to obviate the evils of the monetary panic produced, he advanced considerable sums out of the treasury to those debtors who, although offering good security, were unable to obtain funds to meet their engagements. [Tacitus: *Anna.* vi. 16.] The same course of proceeding had been adopted (A. U. C. 403, B. C. 351) under the consuls P. Valerius Publicola and C. Marcius Rutilus, in a time of great distress and difficulty; [Arnold, ii. 74. Livy, vii. 21;] but in both cases the Roman governments advanced hard cash to the persons they intended to relieve, acting differently in that respect from the governments of modern times, who under such circumstances lend only their own promises to pay, thus setting on foot a gigantic system of raising money upon accommodation bills.

Hume informs us, on the authority of Dion Cassius, that the rate of interest at Rome fell from 6 to 4 per cent. per annum on the conquest of Egypt (A. U. C. 723, B. C. 31), but that it rose again to 6 per cent. in the reign of Tiberius. He quotes Pliny to show that in the time of Trajan (A. U. C. 854, A. D. 101) money lent upon mortgages in Italy bore 6 per cent., and on common securities in Bythinia 12 per cent. [*Essays*: Edinb., i. 324.]

Under Alexander Severus (A. D. 230) the legal rate at Rome was reduced to 4 per cent. [Macpherson: *Hist. Comm.* i. 201. Gibbon, chap. vi.] The reign of this prince forms an epoch in the science of vital statistics, as it was then that the earliest table of the values of life annuities we are acquainted with was constructed, or at least promulgated, by Ulpian, to meet the requirements of the Falcidian law, which rendered it necessary to determine the capitalized value of all life incomes bequeathed to individuals.

Mr. Hendriks, in his valuable "Contributions to the History of Assurance," [*Assurance Mag.*, vol. ii., pp. 121, 222; vol. iii., p. 93.] gave a critical examination of this table. He came to the conclusion that the interest of money was not included among the elements from which it was deduced, but that it represented the Roman estimate of the probable number of payments of each annuity; thus answering to our tables of the expectation of life, which, as is well understood, would give the values of life annuities if money did not bear interest.

It may seem strange that such a writer as Ulpian should make no distinction between a payment receivable at once and one deferred twenty or thirty years, particularly as we have seen that he was quite alive to the difference in value between them; but, having myself carefully analyzed the table with a view to discover, if possible, the rate of interest upon which it was founded, I see no reason to doubt the justness of Mr. Hendrik's

inference. Notwithstanding, however, my high respect for his judgment, I can hardly concur in his opinion that Ulpian's estimates were based upon accurate observations.

The values at all ages from birth to twenty years are given at thirty years' purchase, and in one part of the table the annuities decrease in value from age to age by a whole year's purchase; both of which characteristics are entirely incompatible with scientific construction.

Another presumption against the table is, that it does not appear to have enjoyed any great reputation among the Roman jurists; as Æmilius Macer—the only authority, I believe, for Ulpian's Table—after giving an account of it, describes a different and still more anomalous mode of valuing life annuities, which, he says, was the one in common use. The same writer records that when an annual sum was bequeathed to the State, either unconditionally or for the public shows, it was to be valued at thirty years' purchase. [*Justin. Dig. xxxv., tit. ii. 68.* The whole extract is given in the Appendix to Farran on *Life Assurance*; London, 1825.] As such an annual charge would be in the nature of a perpetuity, we may conclude that the value of property at Rome in the third and fourth centuries of our era was about thirty years' purchase, and that investments therein yielded an annual return of about $3\frac{1}{3}$ per cent.

The following is Gibbon's account of the final regulation of usury by the Code of Justinian (A. D. 533):—"Persons of illustrious birth were confined to the moderate rate of four per cent. Six was pronounced to be the ordinary and legal standard of interest; eight was allowed for the convenience of manufacturers and merchants; twelve was granted to nautical insurance, which the wiser ancients had not attempted to define; but, except in this perilous adventure, the practice of exorbitant usury was severely restrained." [*Hist. Dec. & Fall, chap. xlv.*] The question of nautical interest has been discussed by Mr. Hendriks in his "Contributions to the History of Assurance," to which department of inquiry it more properly belongs. [*Assurance Mag. ii. pp. 122, 136.*]

The law of interest, as fixed by Justinian, appears to have continued unaltered until a short time preceding the reign of Constantine Porphyrogenitus (A. D. 950.) The Basilics published by that emperor (a partial and mutilated version of the Pandects) contained an absolute prohibition against taking interest for money; [*Hist. Dec. & Fall, chap. liv.*;] enacted most probably under the influence of the clergy, as the fathers of the Church were unanimous in declaring all usury to be sinful. In the Western Church it was forbidden by the canon law, A. D. 800, during the reign of Charlemagne; [Macpherson: *Hist. Comm.* i. 250;] and at a great Council held at Westminster on the 8th or 9th September, 1126, for the purpose of regulating the discipline of the Church and the lives of the priesthood, all clergymen were ordered to abstain from interest and base lucre—*usuram et turpe lucrum*. [Macpherson, i. p. 318.]

The long and desolating series of wars and irruptions that produced and followed the destruction of the Western empire, must have reduced the inhabitants of the greater part of Europe to a state nearly similar to that of the nations of the East, so forcibly described by Montesquieu.—"Dans ces pays d'orient, la plupart des habitans n'ont rien d'assurée; il n'y a presque point de rapport entre la possession actuel d'une somme et l'esperance de la ravoir après prêtée; l'usure y augmente donc à proportion du perilde l'insolvabilité." [*Esprit des Lois, liv. xxii., chapter 19.*]

Such insecurity, combined with the immense destruction of capital that had taken place, would of themselves have tended to raise the rate of interest to an exorbitant pitch; but the evil must have been greatly aggravated by the religious prejudices that, in Christian countries, confined to Jews the practice of lending for profit.

England.—The earliest enactment upon the subject mentioned in English history is an Act passed in the reign of Richard I. (A. D. 1197), forbidding Christians to take interest for money. [*Hist. Comm.* i. 357.] It is mentioned in Macpherson's *History of Commerce* as one of the conditions of Magna Charta, granted in the seventeenth year of John (15 June, 1215), "That the debts of a minor shall not bear interest, whether they be owing to a Jew, to the king, or any other person" [*ibid.* i. 379]—a statement that would tend to show it was not only permissible, but usual, for the king and his Christian subjects to practise usury. The author himself remarks, in a note—"This would seem to authorize interest, though repeatedly forbidden by the ecclesiastical canons."

No mention is made of such a condition, either by Blackstone in his *Commentaries*, or by Hallam in his *State of Europe during the Middle Ages*. Hume refers to it, but only as applicable to debts owing to Jews. [*Hist. Eng.*, chap. xi.] As the point is of great historical importance with reference to the present subject, I have examined the clauses in the Charter, and I find they are entirely at variance with Macpherson's statement.

The following are the words of the Charter:—"Si quis mutuo ceperit aliquid à Judeis, plus vel minus, et moriatur antequam debitum illud solvatur, debitum non usuret quamdiu heres fuerit infra etatem de quocumque teneat; et si debitum illud inciderit in manus nostras, nos non capiemus nisi catallum contentum in carta. Et si quis moriatur et debitum debeat Judeis, uxor ejus habeat dotem suam et nihil reddat de debito illo; et si liberi ipsius defuncti qui fuerint infra etatem remanserint, provideantur eis necessaria secundum tenementum quod fuerit defuncti, et de residuo solvatur debitum, salvo servitio dominorum. Simili modo fiat debitis que debentur aliis quam Judeis."—[*Magna Carta Regis Johannis* (A. D. MCCXV.) *Statutes of the Realm*, vol. i., page 10.] It will be seen that the allusion to the king regards only such debts owing to Jews as may fall into his hands—by forfeiture, for instance, or otherwise; and, moreover, that the expression "as to debts that may be owing to others than Jews," refers only to the clause immediately preceding it, relating to the dower of the widow and the maintenance of the children of a person dying indebted to Jews, and has no connection with the condition as to debts bearing interest.

That this was also the view of the person who drew up the *Articuli Magne Carte Libertatum*, prefixed to the Charter of John in the publication by the Record Commissioners, is evident from the mode in which the clauses are arranged. [*Statutes of the Realm*, vol. i., p. 7.]

The Statute of Merton, 20 Henry III. (A. D. 1235), simply enacts that "usuries shall not run against any within age from the time of the death of his ancestor whose heir he is until his lawful age," without any reference to the persons to whom such debts may be owing. [*Statutes of the Realm*, vol. i.] In the Charter of Henry III., as confirmed by Edward I., no clause of the kind occurs.

All the facts we are acquainted with are certainly at variance with the supposition that, at the period named, usury in its naked form was openly prac-

tised by Christians; but in countries where a tolerable degree of order and of security had been established, and where these had been followed by their usual concomitant, an active commerce, the dealing in money became far too profitable an occupation to be left undisturbed by competition in the hands of any one class of persons, particularly of a class so despised and open to oppression as the Jews. Accordingly, we find that about the end of the twelfth century, the natives of some of the Italian cities, where large fortunes had been acquired by commerce, spread themselves over Europe, and by their vast pecuniary operations rendered the name of Lombards, by which they were known, celebrated in commercial history. [*Hist. of Comm.*, i. p. 398.] The first source of their success appears to have been the employment intrusted to them by the Popes, to collect and forward to Rome the revenues which, under various forms and pretences, the Pontiffs were able to levy in all the countries that acknowledged their spiritual dominion. The security which the Lombards derived from their position as the Popes' merchants, the facilities they acquired for remitting money from one country to another, their extensive connections, and the large funds they were able to procure from their correspondents at home, soon enabled them to engross almost entirely the business of buying and selling bills of exchange, which appears to have been one of the modes adopted for procuring remuneration for advances of money, without requiring direct stipulations for the payment of interest. The crusades, which must have greatly extended the transactions and increased the wealth of the Lombards, appear to have brought them into connection with the contemporary English monarchs.

In the 28th volume of the *Archæologia*, [London, 1840: p. 207], Mr. E. A. Bond has published a series of extracts from the Liberate Rolls, relative to loans supplied to the kings of England by Italian merchants in the thirteenth and fourteenth centuries, with an introductory memoir containing much valuable and interesting information, both as to the financial and general history of this country during the period. The earliest transaction mentioned by Mr. Bond relates to an advance made by the Lombards to Richard I., but their operations in England appear to have been limited in extent until the reign of Henry III. In that of his successor they acquired immense influence, carrying on nearly the whole financial business of the Government, and, as money changers, entirely supplanting the Jews.

The Jews.—The establishment of the latter people in this country dates from a very early period, the first public notice of them occurring A.D. 735. [*Hist. of Comm.* i., 249.] They seem to have enjoyed both here and in France a large amount of protection and toleration, until the appearance of their Italian rivals, whose complete establishment was speedily followed in each country by a system of spoiling and oppressing the unfortunate Jews, which, if it did not then originate, had never before reached such an outrageous extent. It is true that the fanatical passions excited by the struggles for the possession of the Holy Sepulchre attained about the same time their greatest influence over the nations of Christendom, and may possibly be sufficient to account for the change; but the coincidence I have noticed appears to me sufficiently remarkable.

"The Jews," says Mr. Hallam, "were noted for usury in France as early as the sixth century. For several subsequent ages they continued so to employ their capital, with little molestation from the clergy," and "often

with some encouragement from princes." In the twelfth century they possessed landed property in Languedoc, and were even appointed there, as well as in Spain, to civil offices. [*Midd. Ages*, ii., 400.] "If an historian of Philip Augustus may be believed, they possessed (A.D. 1180) almost one half of Paris; unquestionably they must have had support both in the court and the halls of justice." According to Hume, the monkish writers on English history represented as a great stain upon the government of Henry II., his carefully protecting this infidel race from all injuries and insults. [*Hist. Eng.*, chap. x.]

The labours of a learned Association have given to the world some curious and precise information as to the effect of his policy. *The Chronicle of Joceline de Brakclond*, published by the Camden Society (London, 1840), contains the annals from 1173 to 1202 of the Monastery of St. Edmundsbury, in which the author was a monk. It opens with an amusing account of the embarrassments of the brotherhood, and of the number of their debts, due both to Jews and Christians, the pressure of which had even induced the Abbot to pawn the sacred vestments, the plate, and other ornaments of the Church. The Churchmen of those days appear to have had no scruples about pledging the sacred things to Infidels. Benedict the Jew, son of Deodate, was in 1171 fined xx. li. for taking certain sacred vestments in pawn. In 1183, Sancto the Jew of St. Edmundsbury was fined v. marks, that he might not be punished for taking in pledge certain vessels that were appointed for the service of the altar. [Note to *Chron. of Joceline*, p. 106.]

The writer mentions that he had seen bonds granted by the Monastery to three Jews (whom he names), for sums amounting in all to £2,460. If it be considered that the pound sterling was then equivalent to three times the weight of silver represented by the present pound,* and that the exchangeable value of equal quantities of the metal was also much greater than now, the sum mentioned will appear very considerable—probably not less than £15,000 of our money. That three Jews were able among them to advance so much, shows that the collective wealth possessed by the individuals of the nation resident at that period in England, must have greatly exceeded its total amount under Edward I.; for Mr. Bond states, on the authority of a record he had seen in the Pell Office, that a taillage upon Jews of one-third of their property, made in the second year of the reign of that prince (A.D. 1274), yielded, between Michaelmas and March 10th, no more than £1,232 15s. 3d. [*Archæolog.* xxviii. 225.] His estimate is, that the whole collection did not exceed £2,000—a remarkably small amount, even allowing for all the arts of evasion that would probably be practised.

The minute details given by Joceline de Brakclond respecting one of the loans he mentions, afford us valuable light as to the terms upon which such transactions were then negotiated. It appears that the Chapter House of the Monastery having been pulled down, William the Sacristan, *volens vel nolens*, undertook its restoration, and for the purpose borrowed secretly from Benedict, a Jew of Norwich, 40 marks at interest, giving him a bond

* From the conquest to the reign of Edward III., 20 shillings or the pound sterling contained 4,995 grains of fine silver. At the present time 20 shillings contain only 1,614.545.

for the sum sealed with the Convent seal, which was used without authority for the purpose. The debt having accumulated (we are not informed in what period) to £100, the creditor had recourse to legal proceedings, and the transaction for the first time became known to the Abbot and his brethren. The enraged Abbot proposed to depose the Sacristan; but being pacified, the temptation of a further advance of £100 procured from the community a bond for £100, to be paid at the expiration of four years, no interest, of course, being chargeable in the interim. At the stated term the funds requisite for the payment of the debt were not forthcoming, and a further bond was executed for £880, payable by annual instalments of fourscore pounds each. [*Chronicle*, p. 2.]

We can come to no conclusion as to the terms of the first loan of 40 marks, having no knowledge of the period it was running. Judging from the other facts, this was probably eight years. The second transaction paid the lender interest at 18.921 (£18 18s. 5d.) per cent. per annum—the rate at which £200 will amount to £400 in four years. The third transaction was the grant of an annuity certain of £80 for eleven years, which, if the annual payments were regularly made, would replace the capital of £400, with interest at the rate of 16.125 (£16 2s. 6d.) per cent. per annum.

From the text it would appear that the annual payment of fourscore pounds was to be made by certain instalments within each year. These might be half-yearly, quarterly, or even monthly; and under such circumstances, the rate of interest obtained by the lender would be somewhat greater than that named.

If we make an allowance for this, and for the tendency towards round numbers in all pecuniary transactions, as well as for some bargaining on the part of the borrowers after the calculations were made, we shall probably conclude that the two loans were intended to be at the same rate. It appears to me also that the adjustment of the terms evinces, on the part of the computer, a familiarity by no means contemptible with the theory of compound interest and the properties of series. Such a degree of knowledge may even be considered remarkable, as occurring within less than a century after the first promulgation of the science of algebra by the Arabians.

The facts stated in this *Chronicle* give a favorable view of the condition of the Jews in England at the time, showing the readiness with which they could avail themselves of legal means for recovering what was due to them, and the freedoms permitted them upon subjects that would probably be unexpected by the majority of readers. At the monastery of St. Edmundsbury, they appear to have had free ingress and egress, to have been allowed to deposit their money for greater security in its treasury, and to wander about the altar and around the tomb of the patron saint, observing with curious, perhaps with contemptuous, eyes the solemn ceremonies of the Church. ["Venit Judeus portans literas domini regis de debito sacriste."—*Chronicle of Joc. de Brak.*, p. 2.] "Judei inquam quibus sacrista pater et patronus dicebatur; de cujus protectione gaudebant, et liberum ingressum et egressum habebant, et passim ibant per monasterium, vagantes per altaria et circa feretrum dum missarum celebrarentur sollemnia; et denarii eorum in thesauro nostro sub custodia sacriste reponebantur; et, quod absurdus est, uxores eorum, cum parvis suis, in pitanceria, nostra tempore verre hospitabantur.—*Ibid.*, p. 8.

This state of things was, however, drawing to a close. Pressed by his necessities, Henry, towards the end of his reign, levied a heavy exaction upon them, and at the coronation of his successor the hatred of the people broke out. Encouraged by an indignity which Richard, with incomparable baseness, allowed his courtiers to inflict, within the precincts of his own palace, upon a deputation of Jews, from whom he had just accepted a rich present, the populace of London satiated their evil passions by the massacre and plunder of all the individuals of that unfortunate nation that fell into their hands, and the example was speedily followed in all the principal towns of the kingdom. The author of the *Pictorial History of England* (vol. i., p. 484) cites an authority to show the Jews' presents were accepted "gladly enough." Neither Holinshed nor Stow mentions this fact, but their accounts are not inconsistent with it.

The minds of the people had been prepared for these outrages by stories of the impieties and cruelty of the Jews, which, judging by the ordinary rules of probability, could have had no foundation in truth. The chronicler Joceline de Brakelond wrote on the miracles of St. Robert, a boy said to have been murdered by the Jews at St. Edmundsbury, A. D. 1181. [*Preface to Chronicle*, p. vi.] Such inventions, always circulated when an excuse was wanted for plundering that people, were perhaps less due to the ferocity of vulgar bigotry, than to the sordid and unscrupulous dishonesty of the debtors of the unfortunate victims. After the celebrated catastrophe of the Jews of York in this year (A. D. 1190), "the gentry of the neighborhood, who were all indebted to the Jews, ran to the Cathedral, where their bonds were kept, and made a solemn bonfire of the papers before the altar." [Hume: *Hist. Eng.*, chap. x.]

These atrocious murders and robberies passed not only unpunished, but uncensured, and even applauded, in the height of that age of chivalry—the object of florid eulogium with so many writers, one of whom has fancifully described it as endowing men with such exquisite sensibility that they "felt a stain as a wound."

During the reigns of Richard I., of John, and of Henry III., the Jews were subjected to a series of exactions well known to the students of English history. The sums actually raised by these proceedings have perhaps been exaggerated. Mr. Bond considers that error has arisen from paying too much regard to instances of enormous tallages upon the community, or of heavy fines upon individuals, and that a large amercement was often charged upon a Jew, not in expectation of his ability to pay it, but to obtain a pretext from his failure for seizing whatever property he possessed. [*Archæologia*, xxviii. 224.] An instance, quoted in the notes to the *Chronicle of Joceline*, confirms Mr. Bond's suggestion that these tallages are not always to be estimated at their full amount. In the reign of King John, Isaac, the Jew of Norwich, made a fine with the king in 10,000 marks, to be paid a mark a day during life. [*Chronicle Joc. de Brak.*, Notes, p. 108.] Assuming that the Jew obtained an annual interest of ten per cent. upon his capital, clear of all bad debts—that he was fifty years of age, and that the expectation of life at the time was the same as is shown by the Northampton Table of Mortality—the 10,000 marks, at the period the fine was imposed, were equal in actual value to about £1,700.

That the advantages accruing to the perpetrators of injustice and wrong are generally trifling in comparison with the injuries and sufferings of their

victims, may, perhaps, be a law for the government of the moral world, ordained by Providence in order that the inducements to resist, may always be stronger than the temptation to commit, oppression. However small the profits derived by the English monarchs from their persecutions of the Jews, the effect of their conduct in diminishing the numbers and the capital of that people cannot be doubted, and its injurious influence upon the resources of the country was speedily manifested by an enormous rise in the rate of interest. We have seen that in the reign of Henry II., loans were readily obtainable in England, at an annual charge of less than 20 per cent. In the reign of Henry III., the rate of interest was 50 per cent., according to Hume, [*Hist. Eng.*, chap. xii.,] and Matthew Paris asserts that at the same period the debtor paid 10 per cent. every two months. Mr. Hallam, in quoting the latter statement, remarks—"This is absolutely incredible as a general practice;" [*State of Europe during Middle Ages*, ii. 400.] but, so far from the assertion being improbable, there seems reason to believe it may have been strictly correct. Macpherson (*Hist. Comm.*, vol. i., p. 338) states, that in the last year of Richard I. (A. D. 1198) there occurs an instance of a landed estate being mortgaged to a Jew for the payment of 100 marks, with interest at the rate of 10 per cent. annually. This rate is so much below others recorded about the same period, that the case was probably an exception; perhaps, the lender had some other source of profit, or lent his money at a low rate to secure the protection of an influential person.

The author of the *Anglia Judaica* has cited an instrument from a close roll of the 32d Henry III., showing that twopence a week for twenty shillings, or a fraction over £43 6s. 8d. per cent. per annum, was the rate of interest allowed to be taken by Jews at that time, and it can hardly be doubted that the permitted rate was often exceeded.

I am indebted to Mr. Bond for the citation above given, and his industry has discovered among the miscellaneous charters in the British Museum a document in which precisely the same rate of interest is secured. This is a bond granted in the 56th year of Henry III. (A. D. 1272), to Bonami, a Jew of York, by Sir Hugo de Nevill, a Lincolnshire knight, who, notwithstanding the recital commencing the document, "Sciant presentes et futuri," would no doubt have been greatly astonished had he been told that his pecuniary transactions would be made the subject of discussion at the distance of nearly six centuries. After confessing a debt of ninescore pounds sterling, and agreeing to pay the same by certain instalments, the borrower covenants—"Et nisi tunc reddidero, dabo ei pro qualibet libra, qualibet septimana post terminum elapsuin, duos denarios de lucro quamdiu istud debitum per gratum ejus tenuero." [*Archæolog.*, xxviii. 226.]

That this was a common and recognized rate is shown by the following extract from Stow's *Survey of London* (A. D. 1263):—"The barons slew the Jews at London, seven hundred; the rest were spoiled, and their synagogue defaced, because one Jew would have forced a Christian to have paid more than twopence for the loan of twenty shillings a week."

It appears those Jews only could legally engage in money lending who obtained a royal license for the purpose; and there is no doubt that the English monarchs participated in the gains of the Jews from this source, under a regular and established system, evidence of which was found both by Mr. Bond and the author of *Anglia Judaica*. [*Archæologia*, xxvii. 225.]

This circumstance makes it apparently difficult to account for the Statute of Jewry passed during the reign of Edward I. [*Statutes of the Realm*, i. 221.] Its date is uncertain, but it has been referred to the fourth, sixth, or eighteenth year of that monarch. The statute, after reciting that the king has seen divers evils and the disheriting of good men of his land from the usuries of the Jews—albeit he and his ancestors have received much benefit from the Jewish people in times past—"enacts, nevertheless, for the honor of God and the common benefit of the people, that from henceforth no Jew shall lend any thing upon usury, either upon land, or upon rent, or upon other thing, and that no usuries shall run in time coming from the feast of St. Edmund last past; and if any Jew shall lend at usury, contrary to this ordinance, the king will not lend him his aid, neither by himself nor his officers, for the recovery of the loan, but will *punish him at his discretion* for the offence." A clause which very much resembles a trap laid for future extortions.

After regulating the places of residence of the Jews, the statute further enacts, "that every Jew above seven years of age shall wear a badge, and every one above twelve shall pay threepence of tax yearly to the king, 'whose bondsman he is.'"

It is hardly necessary to point out the monstrous nature of this claim to treat as born serfs the whole Jewish community, many of whom had come here voluntarily from foreign countries, bringing with them considerable wealth, and had paid to the king or his predecessors large sums for permission to reside in peace and security within his dominions. The claim, however, explains, although it does not excuse, the unscrupulous plunder to which the Jews were subjected, as, by the feudal law, a bondman or "villein could acquire no property, either in land or goods; but if he purchased any, the lord might enter upon them, oust the villein, and seize them to his own use;" [*Blackstone's Comm.*; London, 1830: ii. 93, iv. 419;] and this was so well understood, that, if the lord brought an action against his villein, it enfranchised him, being considered a recognition of his title to hold property.

Of all the causes that can be suggested as having led to the Statute of Jewry, I cannot but think it the most probable supposition that the measure was due to the influence of the Italian merchants, which, about this time, reached its highest pitch at the English court.

The military enterprises of Edward I., carried on upon a scale more extensive than any previously attempted in England, required frequent advances of sums too considerable to be supplied by the diminished capital which extortion and outrage had left to the impoverished Jews, who if they had even retained, would hardly have ventured to acknowledge, the possession of so much wealth. Recourse was therefore had to the Lombards, whose monetary transactions with the Crown increased rapidly upon the accession of this prince. The orders upon the Exchequer in their favor, from the twelfth to the last year of the reign of Henry III., extracted by Mr. Bond, represent an aggregate amount of £14,230 only, while those of the first eight years of the reign of his successor are for sums amounting in all to £54,811. These orders refer only to debts paid off during the period, and are exclusive of sums raised and remaining unpaid. The floating debts of the king appear to have gone on increasing in amount as long as he remained on the throne. In the twenty-sixth year of his reign Ed-

ward acknowledged debts to various companies of Italian merchants amounting in all to £28,966, [*Archæolog.* xxviii. 284,] a sum nearly equal to the ordinary annual revenue of the Crown; and shortly after his death, "independent of other payments, no less a sum than one hundred and eighteen thousand pounds sterling was delivered to the keeper of his wardrobe to pay off debts incurred in his office." [*Ibid.*, p. 247.]

Although it cannot be doubted the Lombards derived large profits from these transactions, no stipulation for the payment of interest occurs in the documents published by Mr. Bond, whether relating to advances made to the sovereign or to private individuals. Nearly all the warrants on the Exchequer in favor of the Lombards contain a reference to some loan previously made of exactly the same amount as the sum to be paid off, which it is therefore to be presumed did not include any allowance for interest. In some few cases the king orders payments to certain companies for the losses and expenses incurred by them in consequence of the nonpayment of debts due from him; but these are distinctly said to be "de dono nostro," and were not therefore the result of any specific contracts. Mr. Bond suggests, with great probability, [*ibid.*, p. 233,] that the Italians derived large profits from being able to trade as foreign merchants under the royal protection, as well as from the various employments intrusted to them. They advanced money upon the ordinary Customs revenue, which was assigned to them as a security, [*ibid.*, p. 286,] and likewise upon the Parliamentary subsidies, of which they were appointed receivers. The king often confided to them important embassies, and high and responsible offices usually reserved for native nobles. The numerous class of persons who believe the worship of commercial riches to be essentially a modern failing, might correct their opinions by reflecting on the influence and consideration enjoyed by these wealthy aliens in the "good old times" of English history.

The indirect profits that may have compensated the Lombards for their advances to the Crown could not, of course, have been looked for from private individuals, with whom their transactions are shown, by the Exchequer Rolls, to have been numerous and extensive. [*Ibid.*, p. 222.] From these they must have received interest in a more direct form, although it could not be stipulated for openly.

We derive some hints as to the mode in which such transactions were arranged, from a petition presented to Parliament in the sixth year of Edward I., in which a convent brings a charge of usury against merchants of Florence upon the following case: [*ibid.*, p. 226.] They had advanced to the Abbot of the house a sum of 300 marks upon his bond for the amount, and they had afterwards received a bill for 42 sacks of wool "de avantagio;" and the Abbot further complains that, although in the said bill he confessed to have received full value for such 42 sacks of wool, he had not been paid any money for the same. The price of wool at this time, as shown by a contract quoted by Mr. Bond, was "20 marks for every sack of good wool, and 15 marks for every sack of middle value." [*Ibid.*, p. 221.] Hume says [*Hist. Eng.*, chap. xiii.] that when Edward I. laid a tax of forty shillings upon each sack of wool exported, it was computed to be above one third of the value, which would reduce the price to less than nine marks the sack. The price might have been depreciated, at the time referred to, by the arbitrary conduct of Edward, who seized all the wool

A. D. 1490.—At Piacenza the rate of interest was as high as 40 per cent. [Robertson: *View of State of Europe*, Note xxx.]

A. D. 1491.—The first *Monte di Pietà* established at Padua by Bernardino di Feltic, a friar of that city. This is remarkable as the first public sanction given by the Popes to the payment of interest.

A. D. 1545.—Charles V. fixed the rate in the Low Countries at 12 per cent. Guicciardini, who wrote A. D. 1560, complained that it was not uncommon to exact more. [Robertson: *View of State of Europe*, Note xxx.]

A. D. 1586.—A law was passed in Scotland fixing the legal rate at 10 per cent. [Macpherson: *Hist. Comm.* ii., 223.]

Although an Act of the reign of Henry VIII. [37, cap. 9, *Statutes of the Realm*, vol. iii., p. 996], recites that "diverse and sondrie actes, statutes, and lawes have been ordeyned, had, and made within this realme for thavoydance and punishment of usurie," the *Statutes of the Realm*, published by the Record Commissioners, do not contain any enactment to that effect prior to the time of Henry VII., except the Statute of Jewry already mentioned. The early existence of such Acts may indeed be inferred from an instruction to the Justices in Eyre [*Statutes of the Realm*, vol. i., p. 233], in the time of Edward I., to inquire as to Christian usurers, as well as from a clause in a Bill passed 15th Edward III., for the general confirmation of various charters, by which [*Statutes of the Realm*, vol. i., p. 296] "it is accorded and assented that the king and his heirs shall have conisance of usurers dead, and that the ordinaries of Holy Church have the conisance of usurers on life, as to them appertaineth." These extracts show that the practice of usury, except by Jews, was considered an offence by the secular as well as by the ecclesiastical law. Nevertheless, the first general prohibition recorded is the Statute of the 3rd Henry VII. (A.D. 1488), entitled "an Act against Usurie and Unlawful Bargaynes" [*Statutes of the Realm*, ii., 514], which recites that "ymportable damages, losses, and empoverysing of this realme, ys had by dampnable bargayns, groundyt in usurie, colorde by the name of new chevesaunce [agreement], &c. &c.," and enacts that all such contracts shall be void, and the seller, owner, bargainer or promiser be liable to a penalty of £100 for every such bargain.

In addition to the various forms of evasion referred to by this statute, the great difficulty there was in enforcing the prohibition of usury is shown by one of its provisions—to the effect that these transactions generally took place in cities and boroughs having authority to try causes growing and had therein; and if any such causes should there be tried, "lytell of the premysses" would be fulfilled. The "Chancellour of Inglonde" for the time being was therefore to have power to try such causes, and the justices of the peace of any shire "next adjoyning to any city or burgh where such deffautes be" were empowered to make like process against any man indicted before them.

The framer of this Act, after an attempt to define what constitutes usury—feeling, apparently, that he had not been very successful—had recourse, by way of example, to this addition: "that is to say, for havying one hundred pound (c. li.) in money or in merchandise or otherwise, and, therefore, to pay or to find suretie to pay six score pounds (vj^{xx} li.) or more or less." No term is here mentioned; but, taking the ordinary mode of measuring interest, by the year, this example would seem to point to 20 per cent. per annum as a common rate at the time.

The Act itself appears to have been speedily found a failure, as it was repealed by the 2nd Henry VII., cap. 8 (A.D. 1496), [*Statutes of the Realm* ii., 574] on the ground that it was "so obscure, darke, and diffuse, that the true intent of the makers thereof could not perfectly be understood." The prohibition of usury was re-enacted, with a penalty of the forfeiture of one moiety of the goods, chattels or merchandises that might be the subject of usurious bargains.

Notwithstanding these severe parliamentary denunciations, there seems reason to think that Henry the Seventh himself was addicted to the forbidden practice. In Rymer's *Fœdera* [vol. xiii., p. 234], is to be found a copy of a commission granted in the twenty-fourth year of this king (A.D. 1509), by Charles, Archduke of Austria, and Maximilian, Emperor-elect of the Romans, authorizing the person to whom it is addressed to lodge in the hands of the King of England a certain precious jewel, called "*La Riche Fleur de Lis*," as security for a loan of 50,000 golden crowns, which the said king had promised to advance thereon. Nothing is said about the payment of interest, but, from the character of Henry, we may be sure he did not part with so large a sum without the prospect of some considerable advantage.

At length, in the reign of Henry the Eighth, the legislature began to perceive the impossibility and to suspect the impolicy of entirely prohibiting loans upon interest; and an Act of the thirty-seventh year of that monarch, cap. 9 (A.D. 1545) [*Statutes of the Realm*, iii., 996], repealed all former statutes upon the subject, and enacted that none should take "for the forbearinge or giving day of payment of one hole yeare, of and for his or their money or other things that shall be due, &c., &c., above the some of tenne pounds in the hundred, and so after that rate, and not above, of and for a more or less some, or for longer or shorter tyme;" and any one offending against the Act was not only to forfeit treble the amount of his loan, but to suffer "ymprisonment of his body and make fyne and ransome at the king's will and pleasure." How far the rate of interest thus fixed agreed with the market rate there is no evidence to determine. I have been favored with an extract from the Exchequer Rolls of the same date as the last-mentioned Act, 37 Henry VIII., recording the sale by the king of a fee farm rent at twenty years' purchase, a rate very much above the estimate we are accustomed to form of the value of property at that time. The following is a copy of the extract, communicated to me by Seymour Teulon, Esq.:

Sedò die Augustii, anno xxxviij ^{mo} R. H. viij ^{ti} pr. John Gressl ^r me mi ^{te} .	}	The saed tenth of xiijs. vjd. ob : by yere ys sold unto the s ^d S ^r John Gresham for xx ^{ti} yerez p ^r chace Amounting to xiiij ^{li} . xs. xd. To be paid all in hand.	EDWARD NORTH.
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As late as at the beginning of the seventeenth century the ordinary value of land appears not to have exceeded twelve years' purchase; but the extract above referred to derives peculiar interest from a complaint in the Preface to Sir Josiah Child's *Discourse on Trade, &c.* (London, 1693), "that some had the confidence publicly to assert before the Lords, when this controversie was debated before their Lordships, that when interest was at 10 per cent. land was sold at twenty years' purchase—a strange, presumptuous, and incredible assertion."

The Act authorizing interest at 10 per cent. continued in force for seven

years, until the 1st May, 1552, when it was repealed by the 5th and 6th Edward VI., cap. 20, "A Bill against Usurie," (*Statutes of the Realm*, iv. 155] which, after much violent abuse of the "greedie, uncharitable, and covetous persons" guilty thereof, re-enacted the former prohibition with nearly similar penalties. Notwithstanding, or perhaps in consequence of, this Act, the ordinary rate of interest after it passed was 14 per cent. [Hume: *Hist. Eng.*, chap. xxxv.]; and in the reign of Mary, during which the Act continued in force, the sovereign set the example of breaking the law, being compelled by her necessities to borrow £20,000 from the citizens of London, for the repayment of which she bound certain lands, and furthermore agreed to pay interest at the rate of 12 per cent. per annum. [Macpherson: *Hist. Comm.* ii., 120.]

Concurrently with the Act last mentioned, a statute was passed forbidding any but the king's exchangers to exchange gold or silver for the purpose of profit. [*Statutes of the Realm*, iv., 154.] Many Acts had been directed against this practice, which appears to have been looked upon with as much jealousy as usury itself. [*Statutes of the Realm*, i., 322; ii., 18.] A similar enactment was passed with the 3rd Henry VII., cap. 6. [*Statutes of the Realm*, ii., 515.] The statute 5 & 6 Edward VI. remained the law of the land until A.D. 1571, when it was repealed by the 13th Elizabeth, cap. 8 [*Statutes of the Realm*, iv., 542], which recites that the said "Acte hath not done so much good as was hoped; but rather that the vice of usurie, and specially by waye of sales of wares and shiftes of interest, hath more exceedingly abounded." The limitation of the rate of interest to 10 per cent., enacted by the 37th Henry VIII., was then revived—with the mild penalty, however, that any offender against the statute was to forfeit so much as should be reserved by way of usury above the principal for any money so lent or forborne. Another clause enacted that such offenders were also to be punished and corrected according to the ecclesiastical laws against usury—a reservation of the power of the Church included in nearly all the Acts for the repression of the offence. The statute was to remain in force five years only, unless renewed, which it is to be presumed was done at the expiration of the period, although there is no record of the fact, as the same Act was subsequently continued by the 27th, cap. 11; 29th, cap. 5; 31st, cap. 10; 35th, cap. 7; and made perpetual by the 39th, cap. 18, of the same reign. [*Statutes of the Realm*, iv., 917.]

The period when the practice of taking interest was finally authorized by law in England is an appropriate one for closing the first division of the subject, upon which I trust that some light, however imperfect, may have been thrown by the facts I have been enabled to collect.

[The second part of this interesting article will be given in our next No.—ED. B. M.]

THE CURRENCY QUESTION IN ENGLAND.

Report of the Parliamentary Committee on the causes of the late financial crisis. Suggestions as to the course to be pursued towards the Bank of England.

From the London News, July 21.

YESTERDAY was issued a report of twenty-five pages from the select committee who were appointed in December last to inquire into the operation of the Bank acts, and into the causes of the recent commercial distress, and to investigate how far it had been affected by the laws for regulating the issue of bank notes payable on demand.

Glancing at the commercial history of the ten years which have elapsed since the last committee sat under the same order of reference, the report observes that since 1847 three important circumstances have arisen affecting the question referred to the present committee—namely, an unprecedented extension of our foreign trade; an importation of gold and silver on a scale unknown in history since the period which immediately succeeded the first discovery of America; and a most remarkable development of the economy afforded by the practice of banking for the use and distribution of capital; but to the close of 1857 the Bank of England had continued under the act of 1844 to conduct its business without difficulty. In September the first tidings arrived of the bank crisis in America, and in October there were numerous failures here.

The report then reviews the chief failures, dwelling upon the stoppage of certain Banks, and attributing foresight and vigor to the proceedings of the Bank of England, upon which every thing depended. Messrs. Quilter and Ball, the accountants, assign what appears to the Committee an adequate cause for the crisis. "Availing themselves of their experience in 1847, the affairs of which have now been finally closed, to illustrate the transactions of 1857, which still appear in estimate and are therefore liable to correction, they ascribe the calamities of both periods to the same principal cause, viz.: the great abuse of credit and consequent overtrading. They notice also the difference between the two periods. Many of the houses which fell in 1847, they say, had once been wealthy, but had long ceased to be so. *Those of 1857 had, with few exceptions, never possessed adequate capital, but carried on extensive transactions by fictitious credit.*" Of this the Committee proceed to give instances, "furnishing an instructive example how readily misfortunes are at the time attributed by the sufferers and others sympathizing with them to the operation of the statutory enactments, which misfortunes, upon a full review of all the circumstances attending them, it is obvious that, no wisdom of the legislature, no regulations of the currency, could have prevented." The particulars of thirty houses which failed in 1857 show their aggregate liability to be £9,080,000, of this sum the liabilities which other parties ought to provide for amount to £5,215,000, and estimated assets £2,317,000.

Besides the failures which arose from the suspension of American remittances, another class of failures is disclosed :

The nature of these transactions was the system of open credits which were granted—that is, by granting to persons abroad liberty to draw upon the house in England to such an extent as had been agreed upon between them ; those drafts were then negotiated upon the foreign exchanges and found their way to England, with the understanding that they were to be provided for by maturity. They were principally provided for, not by staple commodities, but by other bills that were sent to take them up. *There was no real basis in the transaction, but the whole affair was a means of raising a temporary command of capital for the convenience of the individuals concerned*, merely a bare commission hanging upon it ; a banker's commission was all that the houses in England got upon these transactions, with the exception of receiving the consignments probably of goods from certain parties, which brought a merchant's commission upon them ; but they formed a very small amount in comparison with the amount of credits which were granted. *One house, at the time of its suspension, was under obligations to the world to the extent of about £900,000 ; its capital at the last time of taking stock was under £10,000.* Its business was chiefly the granting of open credits, i. e., the house permitted itself to be drawn upon by foreign houses without any remittance previously or contemporaneously made, but with an engagement that it should be made before the acceptance arrived at maturity. In this case the inducement to give the acceptance is a commission, varying from $\frac{1}{2}$ to $1\frac{1}{2}$ per cent. The acceptances are rendered available by being discounted, as will appear hereafter when the affairs of the banks which failed come under our notice. The obvious effect of such a system is first unduly to enhance, and then, whilst it continues, to sustain the price of commodities. In 1857, that fall of prices which, according to Mr. Neave, far-seeing people had anticipated, actually occurred. Tables have been put in by more than one of the witnesses, exhibiting an average fall of 20 or 30 per cent. ; in many instances much more, upon the comparison of July 1857, with January, 1858. It needs no argument to prove what effect such a fall must have upon houses which had accepted bills, on the security of produce consigned, to the extent of one hundred times the amount of their own capital.

The Liverpool Borough Bank, the Western Bank of Scotland, the Northumberland and Durham Bank, and two bill-broking houses in London, which suspended payment a second time in 1857,—“these five houses,” say the committee, after entering into details, “contributed more than any others to the commercial disaster and discredit of 1857. It is impossible for your committee to attribute the failure of such establishments to any other cause than to their own inherent unsoundness—the natural, the inevitable result of their own misconduct. *Thus we have traced a system under which extensive fictitious credits have been created by means of accommodation bills and open credits*, great facilities for which have been afforded by the practice of joint-stock country banks discounting such bills and re-discounting them with the bill brokers in the London market upon the credit of the bank alone, without reference to the quality of the bills otherwise. The rediscounter relies on the belief that if the bank suspend and the bills are not met at maturity, he will obtain from the Bank of England such immediate assistance as will save him from the conse-

quences." The evidence which was taken by the committee relative to the North of Europe is then referred to, and portions are quoted to show that the real origin of the disaster there sustained was the undue expansion of commercial credit, and to confirm the proof that no system of currency can secure a commercial community against the consequences of its own improvidence.

After stating their belief that repeated discussion and increasing knowledge will satisfy the public of a fact so obvious as that, without the interposition of the executive government, the directors of the Bank of England have no power whatever to exceed in their issues the limit imposed by law—the committee proceed to analyze the evidence given by the present directors and other eminent witnesses, in favor of maintaining the act of 1844, and to state the chief complaint against that act. They mention that notwithstanding the great increase of trade, the whole amount of bank notes has actually diminished since 1844, and under the present law, still continues gradually to decline. It must be taken, therefore, (says the Report) that in ordinary times there is no cognizable advantage to be obtained by the commercial interest from the power of increasing the amount of notes which may be issued without the deposit of bullion.

The Report continues:

"It is here necessary for your committee to advert to the question, whether the law should be left, subject only to that power which was contemplated by Sir R. Peel and Mr. Huskinson, and was actually exercised by the two governments of 1847 and 1857; or, whether, on the other hand, provision should be made in advance for such contingencies, and the conditions expressly laid down on which the issue of an increased number of bank notes may in the time of pressure be allowed. Your committee think that such a provision could not be regarded as any violation of the principle of the act of 1844. To have introduced such an express provision, when the law itself was first adopted by Parliament—or even when, as in 1848, it had only been a few years in operation and when comparatively little understood—was a far more serious question of policy and of prudence than it can in fairness be regarded at the present time. Yet the interference of government in an extreme case must, in fact, be taken to have been contemplated by the framers of that act. Mr. Cotton stated to the committee of 1847–8, that this subject was considered when the act was under preparation in 1844, and that Sir Robert Peel's opinion was thus expressed:— 'If it be necessary to assume a grave responsibility, I dare say men will be found willing to assume such a responsibility.' It scarcely, therefore, constitutes, of itself, a sufficient ground for bringing this important and difficult subject under the review of Parliament, and may probably await the decision of the legislature when the other branches of the subject shall be again dealt with. They would, however, here take occasion to observe, that if new provisions shall at any future time be made by Parliament, the great object of securing the maintenance at the time of severest pressure of an adequate supply of bullion should be guarded with the utmost caution. In considering these new provisions, your committee assume that no hazard will be incurred with regard to the foreign exchanges, but that the efficient action of the law in that respect will be firmly maintained. The mischief your committee are now considering is the domestic drain, occasioned by panic, and evidenced by hoarding, which in cases of commercial

crises supervenes upon a foreign drain, and creates an abrupt interference with the circulation, by withdrawing from it for a time, for the purpose of hoarding, a part of the ordinary circulating medium.

"Without entering into any question respecting an issue of small notes on the credit of the State, the committee desire it should be understood as their opinion that the subject of the issue of small notes in Scotland and Ireland, and of private issues generally in the United Kingdom, should be reserved without prejudice for the future consideration of Parliament, and the pecuniary arrangements subsisting between the executive government and the Bank might be left to the consideration of a less numerous committee. 'The appointment of a separate committee may tend to produce the useful conviction that it is not necessary to unsettle the great principles which regulate our monetary system merely because the pecuniary relations between the Treasury and the Bank may require to be reconsidered.'"

The report concludes in the following terms:

"It appears to your committee that no mischief will result from at least a temporary continuance of the present state of things, under which the Bank of England holds the power given by the act of 1844, subject to a notice of twelve months, which may at any time be given by the House of Commons through Mr. Speaker. They agree with the opinion expressed by Mr. Goulburn in 1844. The Bank directors had suggested the propriety of renewing the arrangement for twenty years, with power of giving notice at the expiration of ten, as has been done in 1833. Sir Robert Peel's government preferred the limit, which was actually adopted, of ten years; the act, at the expiration of that period, to be terminable at any time, upon a notice of twelve months; but, until such notice be given, to continue in force. Mr. Goulburn thus accounts for this decision. In making the proposal, he says: 'The government were mainly influenced by the consideration that it was not advisable unnecessarily to agitate questions affecting the banking interest and the currency of the country.' Your committee have stated the reasons by which it is established, to their satisfaction, that the recent commercial crisis in this country, as well as in America and in the north of Europe, was mainly owing to excessive speculation and abuse of credit; and also, that in the time of pressure, the houses which deserved assistance received it from the Bank of England, in a manner in which that establishment would not have been able to give it, except for the bullion retained in their coffers; and your committee are satisfied to leave in the discretion of the executive government, the time and prudent opportunity of giving further effect to those principles by which the convertibility of the Bank of England note has been kept above suspicion."

ILLEGAL BANK DRAFTS.

MORE than a year since the Ontario Bank at Utica was compelled to go into liquidation in consequence of the fraudulent abstraction of about one half of its capital by the then cashier, and its appropriation to speculative purposes. This misapplication of funds was fortunately discovered in time to prevent the exhaustion of the whole capital. Had this discovery not been made at the time it was, the whole capital would have been gone in less than two weeks. One scheme for raising money to bolster up the cash account was by means of illegal or post-dated drafts on the New York correspondent, and negotiation by special agents outside the bank. The cashier overdraw the bank account with its New York, Albany, Buffalo and other correspondents, and the letters from these parties remonstrating against such a course, addressed both officially and privately to the president, were purloined by the cashier so as not to reach their destination.

Another plan was to hypothecate the bank's issues with outside parties paying enormous rates of interest, in order to cover the delinquency. The illegal drafts have been placed in suit, and the Supreme Court has decided against them. The Utica Observer publishes a part of the written opinion of the Supreme Court of that district, in the case of the Oneida Bank against the Ontario Bank, argued at the last General Term of the Court. The suit was brought to recover the amount of \$14,000 due on four drafts drawn by James S. Lynch, cashier of the Ontario Bank, on Duncan, Sherman & Co., which were discounted by the Oneida Bank before the days of their respective dates, and the payment of which was refused at maturity by the drawees. We copy as follows :

The defendants object to paying the drafts, because they are signed by the cashier only, the statute requiring that all contracts made by a bank shall be signed by the cashier and the president or vice-president. The court say that under the decision of the Court of Errors, in the case of *Safford vs. Wykoff*, [4 *Hill*,] they are compelled to hold that this objection is not a good one, that this decision is conclusive on the Supreme Court, and must be reversed, if at all, in the Court of Appeals, and that the signature of the cashier alone is sufficient to bind the bank.

The Court next take up the objection that the drafts were dated in advance. One, dated July 24, was discounted June 24 ; another, dated July 30, was discounted June 24 ; the third, dated August 3, was discounted July 3 ; and the fourth, dated August 15, was discounted July 7. The statute (Laws of 1840, chap. 363, § 4,) forbids any banking association to issue or put in circulation any bill or note of said association, unless the same shall be made payable on demand and without interest. The Court, after discussing the point at length, decide that the drafts in question, being dated in advance, were violations of the statute : and they accordingly "pronounce" on the transaction that "*the paper thus issued is utterly void*," and "cannot be recovered on in this action."

The Court say further : "Although these drafts are void, as issued in violation of the statute ; yet not being declared so by the statute, they are

valid in the hands of a *bona fide* holder, for value paid. Is the plaintiff such a holder of this paper? It took the paper from Perry for value paid at the time, but it took it with notice derived from the face of the paper that it was issued in violation of law. It is not, therefore, a *bona fide* holder without notice."

The Court then discuss the question whether a recovery can be had on common counts for money advanced on the draft, and decide that the evidence will not warrant such a recovery. They therefore conclude by saying that, although they would be pleased to aid the plaintiff in collecting the large sum involved in this litigation, the law pronounces its judgment against the demand, and the court can only record its decree. Judgment is rendered for the defendant with costs.

We presume the case will be carried to the Court of Appeals. The large amount in suit, and the importance of the questions arising in the case, seem to demand that the court of last resort should be called upon to settle the law involved, positively and beyond dispute.

BULLION STATISTICS.

THE following statement of the export of bullion from London to the undermentioned countries during the six months ending the 30th of June last, may be of use to those who seek to follow the course of our California specie throughout the world. On the average in the total there is a slight decrease compared with last year:—

1858.	Gold.	Silver.	Total.	Last Year.
India, including Ceylon,.....	£44,540	2,228,080	2,272,620	5,639,910
China and Straits,.....	370	702,230	702,600	3,166,180
Cape of Good Hope and Mauritius,.....	183,840	25,650	209,490	262,500
United States,.....	252,630	9,000	261,630	—
Hamburg, Belgium, and Rotterdam,.....	818,600	1,025,700	1,844,300	411,500
France, via Boulogne, Calais and Dunkirk,.....	5,181,440	216,700	5,398,140	1,985,000
Peninsula and Mediterranean, with Constantinople,.....	81,480	10,100	91,580	403,300
West Indies,.....	10,280	62,280	72,510	433,500
Brazils,.....	126,320	56,790	183,110	579,600
Africa,.....	720	500	1,220	24,900
Total,.....	£6,700,220	4,336,980	11,037,200	12,906,390

The Australian Gold Mines.—While the discovery of gold in the Fraser river country is creating a wide spread fever throughout this continent, and mining prospects in California continue to attract the adventurous, Australia seems to be very quietly striding ahead. We see by the returns in the Sydney and Melbourne journals that, although the very rich deposits are not so large as formerly, the yield is decidedly on the increase,

owing to the superiority of the machinery employed, principally in working quartz. The return of gold for the five weeks ending May 14, shows an increase over the same period last year of 14,589 ounces, and over 1856, of 21,858 ounces. The total quantity of gold dust received at the Mint in Sydney for the first quarter of the current year, was 140,212 ounces; and the coinage amounted to £562,000, about \$2,800,000. Immigration continues steady, and railway projects have received an impetus in the colony. Thus we perceive that Australia, though she is making very little noise at present, is still progressing.

THE MINT AND GOLD PRODUCE AT SYDNEY.

From the Sydney Herald, May 10.

The quantity of gold dust imported into the Sydney branch of the Royal Mint, from the 1st of January to the 30th April, for the purpose of coinage, has been 140,212 ounces. The amount of gold coin issued during the same period has been 517,000 sovereigns, and 90,000 half sovereigns. Total value, £562,000.

The quantity of gold dust delivered by the escort from our several gold fields during the month of April, has been 22,719 ounces. For the corresponding month of 1857 the amount received was 10,172 ounces. There is therefore an increase of 12,547 ounces, or 120 per cent. on the receipts of the month. During the first four months of 1857 the amount of gold dust delivered was 44,042 ounces; during the same period of 1858, 66,404 ounces; which is an increase of 22,362 ounces, or about 57 per cent. in favor of the present year.

The following table will show the amounts delivered by each escort during the first four months of 1857 and 1858:

	Western.	Southern.	Northern.
1857.	Ozs.	Ozs.	Ozs.
January,	8,428	1,298	4,362
February,	6,788	1,196	1,306
March,	5,882	1,136	3,474
April,	6,015	1,440	2,717
Total,	27,113	5,070	11,859
1858.			
January,	9,039	2,847	2,815
February,	8,766	4,184	2,487
March,	10,021	4,150	2,878
April,	13,432	6,815	2,472
Total,	41,258	17,996	10,150

BANK STATISTICS

NEW YORK.

WE have received from the Bank department a printed copy of the condensed quarterly returns of the banks of this State for 19th June last. On the present occasion this summary is printed in larger type and in better style than has been done heretofore. One improved feature of the report is that the returns of the city banks are kept separate from those of the country, so that we can at a glance distinguish the relative condition of both as distinguished from each other. A tabular analysis is not appended to the report. It would be well if this were done hereafter, with comparative tables of this and former dates, so that those who take an interest in the subject may have furnished to them, properly prepared, a tabular index of the condition of the banks at various periods. This labor otherwise devolves necessarily upon individuals, and with a view to satisfy the numerous inquiries of our readers we have compiled the annexed abstract.

From this abstract we find that the city banks have 61 per cent. of the bank capital of the whole State; about 76 per cent. of the deposits; about 94 per cent. of the specie; about two-thirds of the loans. Deducting the "cash items" and "notes of other banks," [consisting of checks and bills of other banks on hand at the end of the business day] \$17,000,000, the resulting balance of individual deposits will appear to be about ninety-one millions of dollars.

LIABILITIES.	MARCH, 1858.		JUNE 19, 1858.		
	<i>N. Y. City.</i>	<i>Country.</i>	<i>53 City Banks.</i>	<i>244 Country Banks.</i>	<i>297 Banks. Total.</i>
Capital,.....	\$67,033,695	\$42,554,007	\$67,041,182	\$42,299,359	\$109,340,541
Circulation,.....	6,584,700	16,125,458	7,080,396	16,998,797	24,079,193
Profits,.....	7,051,828	4,623,278	8,091,406	5,472,244	13,563,650
Due Banks,.....	23,760,646	4,949,431	28,275,873	6,014,893	34,290,760
Due others,.....	296,698	554,377	343,184	531,654	874,838
Due Treasurer, N. Y.,.....	86,819	1,864,331	443,685	2,272,349	2,716,034
Deposits,.....	68,171,425	23,616,303	74,029,883	24,016,992	98,046,875
Miscellaneous,.....	390,541	1,051,840	420,722	1,147,762	1,568,484
Total Liabilities,.....	\$173,376,352	\$95,339,025	\$185,726,331	\$98,754,050	\$284,480,381
RESOURCES.	MARCH, 1858.		JUNE 19, 1858.		
	<i>N. Y. City.</i>	<i>Country.</i>	<i>53 City Banks.</i>	<i>244 Country Banks.</i>	<i>297 Banks. Total.</i>
Loans,.....	\$105,467,501	\$56,390,431	\$118,299,388	\$60,553,757	\$178,853,145
Overdrafts,.....	121,350	314,367	51,734	279,868	331,602
Due from Banks,.....	3,723,204	9,085,308	5,338,023	8,231,208	13,569,231
Real Estate,.....	5,675,847	2,006,057	5,815,368	2,184,590	7,999,958
Specie,.....	33,104,257	1,966,217	31,704,814	1,892,397	33,597,211
Cash items,.....	14,930,929	1,221,547	13,689,788	1,329,458	15,019,241
Stock and Promissory Notes,.....	8,683,406	14,211,271	8,922,278	14,175,383	23,097,661
Bonds and Mortgages,....	379,409	8,198,899	440,335	8,175,030	8,615,365
Bank Bills,.....	866,531	838,506	904,077	1,009,954	1,914,031
Suspended Bills,.....	678	8,579	727	5,147	5,874
Expense Account,.....	423,240	1,099,243	559,766	1,006,836	1,576,602
Total Resources,.....	\$173,376,352	\$95,339,025	\$185,726,331	\$98,754,050	\$284,480,381

*Liabilities and Resources of the Banks of the State of New York, for
the Years 1855, 1856, 1857, 1858.*

LIABILITIES.	December, 1856.	June, 1857.	December, 1857.	March 13, 1858.	June, 1858.
Capital,	\$100,025,798	\$103,954,777	\$107,449,143	\$109,587,702	\$109,340,541
Profits,	14,191,284	13,949,030	13,985,673	11,675,106	13,563,650
Circulation,	33,590,479	32,395,892	23,809,964	22,710,518	24,079,193
Due State of New York, ..	4,492,377	3,254,877	3,069,768	1,951,150	2,716,034
Individual deposits,	94,872,902	105,361,001	81,128,293	92,638,803	98,921,713
Bank balances,	28,645,662	27,319,817	21,268,562	28,710,077	34,290,766
Miscellaneous,	2,298,926	1,755,452	1,682,463	1,442,389	1,568,484
Total Liabilities,	\$278,106,728	\$287,990,816	\$252,467,866	\$268,715,378	\$284,480,381
RESOURCES.					
Loans,	\$183,557,123	\$190,803,832	\$154,210,065	\$161,857,932	\$178,853,145
Bonds and Mortgages,	9,127,732	9,299,794	8,597,310	8,576,308	8,615,365
Stocks,	25,557,127	25,747,472	22,623,755	22,894,677	23,097,661
Real Estate,	7,075,049	7,423,015	7,423,614	7,681,904	7,899,958
Expense account,	1,682,583	1,362,623	2,123,623	1,521,533	1,576,602
Overdrafts,	521,236	507,137	445,464	433,717	331,602
Specie,	11,393,302	14,370,434	29,313,421	35,071,074	33,597,211
Cash items,	22,279,016	23,737,436	14,130,673	16,152,476	15,019,241
Notes from other banks, ..	3,168,241	3,094,293	1,881,049	1,714,294	1,919,905
Due from other banks, ...	13,745,309	11,643,830	11,726,973	12,808,512	13,569,231
Miscellaneous, .....	.....	980	919	951	460
Total Resources,	\$278,106,798	\$287,990,846	\$252,476,866	\$268,715,378	\$284,480,381

It will be seen by the above statement, that the aggregate capital is greater than at any former period. It will appear also, that while the aggregate loans of our city banks are nearly equal to the highest point reached in 1857, the general aggregate of the whole State is twelve millions less. The superabundance of capital must have the effect inevitably, to induce, at a very short time hence, investments in manufacturing concerns, in agricultural improvements, and in other channels, so as to require a healthy increase of Bank circulation, and of Bank loans, &c. Whenever the Banks are profitably employed, the industrial portions of the community also have remunerative employment.

	Capital.	Circulation.	Loans.
December, 1854,	\$83,260,000	\$28,220,000	\$141,604,000
March, 1855,	84,831,000	27,909,000	152,181,000
December, 1856,	100,025,000	33,590,000	183,557,000
March, 1857,	102,505,000	32,510,000	198,088,000
June, 1857,	103,954,000	32,395,000	190,803,000
September, 1857,	107,507,000	27,122,000	170,846,000
December, 1857,	107,449,000	23,809,000	154,210,000
March, 1858,	109,587,000	22,710,000	161,857,000
June, 1858,	109,340,000	24,079,000	178,853,000

The deposits in savings banks are at all times a fair indication of the industry of the people. Thus the savings deposits in this State alone in

January, 1856, were,	\$37,112,000
January, 1858,	41,422,000

Of this large sum about three-fourths are on deposit in this city alone, and about two and a half millions in Brooklyn.

NEW PUBLICATIONS.

- I. *Fenn's Compendium of the English and Foreign Funds, Banks, Railways, Mines, and Joint-Stock Companies; forming an Epitome of the various Objects of Investment and Speculation which are negotiable in London; with an Account of the Debts and Revenues of all Nations, Tables on the Public Debt, Stocks, Banks, Public Companies, and the Laws and Regulations of the Stock Exchange.* The sixth edition, revised, corrected, and brought down to the present time. "This complete guide to investments is the only reliable authority upon these subjects." —*London Paper*. One vol., 12mo. Price 8 shillings sterling. Effingham Wilson, 11 Royal Exchange; and Messrs. Longman.
- II. *A Treatise on Coins, Currency, and Banking, with observations on the Bank Acts of 1844, and on the Reports of the Committee of the House of Lords and of the House of Commons on the Bank Acts.* By HENRY NICHOLAS SEALY. One vol. 8vo. London, Longman & Co. Price 12 shillings.
- III. *The Writings of William Paterson, founder of the Bank of England, with Biographical Notices of the Author, his Contemporaries, and his Race.* Edited by S. BANNISTER, M. A. of Queen's College, Oxford. London: Effingham Wilson. 2 vols. 24 shillings.
- IV. *A Cyclopaedia of Commerce and Commercial Navigation.* Edited by J. SMITH HOMANS, Corresponding Secretary of the Chamber of Commerce of the City of New York, and Editor of "The Bankers' Magazine;" and by J. SMITH HOMANS, JR., B. S., Author of "An Historical and Statistical Account of the Foreign Commerce of the U. S." Royal Octavo, pp. 2000, double columns, strongly bound in Muslin, \$6 00; in strong sheep binding, \$6 75; in Calf extra, \$8 00; copies in Calf backs in two vols, \$8 75. Published by Harper & Brothers, New York.

This work is a compendium of commercial knowledge, including articles upon the trade of every important maritime country and city in the world; copious and reliable statistics upon the staple productions of every climate; Essays upon commercial subjects; synopsis of the laws regulating commerce; and, generally, information and statistics upon every important commercial subject. This work is recommended to MERCHANTS, SHIPOWNERS AND SEAMEN: For its History and Statistics of the Fisheries, Steam Navigation, Aqueducts, the Express Business, Mercantile Agency, Coast Survey, Coasting Trade, Whale Fisheries, Light Houses, Life Boats, Docks, Harbors, Breakwaters, Sea Soundings; History and Statistics of Wheat, Flour, Barley, Rye, Buckwheat, Corn, Oats, Cotton, Sugar, Coffee, Tea, Chocolate, Rice, Brandy, Wines, Ale, Beer, Porter, Molasses, Whiskey, Butter, Cheese, Opium, Tobacco, Salt, Pork and Beef, Provisions, &c.; History and Statistics of Flax, Linen, Wool, Hemp, Hides, Iron, Coal, Copper, Gold and Silver, Tin, Lead; Coins and Coinage, Furs and Fur Trade; Leather, Indigo, Guano, Gums, Drugs, Acids, Fruits, Oils, &c. and for its elaborate articles on Affreightment, Charter Party, Carriers, Contraband, Bills of Lading, Embargo, Neutral Trade, Navigation Laws, Laws of Merchants, Law of Ships, Shipping, Owners of Ships; Blockade, Factors and Agents, Stoppage in Transitu, Tonnage, Pilots, Privateering, Quarantine, Partnership (special and general), Contracts, Commerce (Ancient and Modern), East India Co.; Buccaneers and Pirates; Commercial Treaties of all Nations (Ancient and Modern), Tariffs, Slave Trade; Free Trade, Smuggling, Population; Consuls and Consular Duties, Joint Stock Companies, Hudson's Bay Co., Colonies and Colonial System; Commerce of all Nations; Commerce of leading Ports throughout the World; Circumnavigation, Exploring Expeditions; Zollverein, Weights and Measures; Demand and Supply; Emigration, Warehouse System, Bankruptcy and Insolvency; Fluctuations in Prices; Laws of Commerce of all Nations, with Laws of each Century; elaborate articles on Winds; Currents; Charts; Compass; Gulf Stream; Atlantic, Pacific, and Arctic Oceans; Latitude; Longitude; Drift, Tides, Dry-rot, Anchors, Cables, &c.

It is recommended to UNDERWRITERS, for its elaborate articles on Average, Ad-

justment, Arbitration, Abandonment, Bottomry and Respondentia, Barratry, Convoy, Collision, Salvage, Demurrage; Marine, Fire, and Life Insurance; Lloyds; Annuities; Stranding, &c.

It is recommended TO MANUFACTURERS, for its History and Statistics of the Cotton, Lace, Linen, and Woollen Manufacture; Carpets, Shawls, Clocks and Watches, Carriages, Boots and Shoes; Fire-Arms, Silks, Paper, Hardware, Fans, Gutta Percha; Ice Trade; Gas; Manufacturing Woods; Timber Trade; Adulteration of Food; Porcelain, Inks, Hosiery, Glass, Starch, Cordage, Clothing, &c.

It is recommended TO BANKERS for its Summary of the Law of Bills of Exchange, Promissory-Notes, Guaranty, Indorsement, Interest, Usury, Letters of Credit, Exchange, Commission, Mortgages; Notaries Public, &c.; and its elaborate articles on Money, Currency, Credit, Banks, Banking, Credit Mobilier, Bank of England; Public Debt, Clearing House, Savings Banks, Pawnbrokers, &c., and many other subjects with which every practical banker should be familiar.

It is recommended TO LEGISLATORS AND STATESMEN for its History and Statistics of Railroads, Canals, the Post Office, the Magnetic Telegraph; articles on the Law of Copyright, Finances & Commerce of each State, Neutral Trade, Right of Search, &c.

V. *The Decimal System; an argument for American Consistency in the Extension of the Decimal Scale to Weights and Measures in harmony with the National Currency.* By JOHN H. FELTON. 12mo. pp. 189. APPLETON & Co., New York.

THE LONDON MONEY MARKET FOR AUGUST.

Subjoined is a table of the stock and share fluctuations during August. Although the month has been signalized by the success of the Atlantic cable, the conclusion of peace with China, and the announcement of a new Turkish loan, the variations in consols have not been of much importance. The general tendency, however, has been towards animation, and the result of the operations throughout the period has been to establish a rise of $\frac{3}{4}$ per cent., in addition to that of like amount which took place in July.

FLUCTUATIONS IN THE STOCK AND SHARE MARKETS DURING THE MONTH OF AUGUST, 1858.

	Amount per Share.	Amount Paid.	Price on 2d August.	Highest Price.	Lowest Price.	Present Price.
Consols,.....	—	—	96	97	95 $\frac{1}{4}$	96 $\frac{1}{4}$
Exchequer bills.....	—	—	23s. 6m.	26s. 6m.	20s. 6m.	24s. 6m.
RAILWAYS.						
Brighton,.....	Stock	£100	108 $\frac{1}{4}$	110	107 $\frac{1}{4}$	109
Caledonian,.....	"	"	79 $\frac{1}{4}$ *	84	78 $\frac{1}{4}$	82 $\frac{1}{4}$
Eastern Counties,.....	"	"	63 $\frac{1}{4}$ *	63 $\frac{1}{4}$	60 $\frac{1}{4}$	61 $\frac{1}{4}$
Great Northern,.....	"	"	104 $\frac{1}{4}$ *	104 $\frac{1}{4}$	99	100
Great Western,.....	"	"	50	51 $\frac{1}{4}$	48 $\frac{1}{4}$	50
London and North Western,.....	"	"	94*	94 $\frac{1}{4}$	90 $\frac{1}{4}$	91 $\frac{1}{4}$
Midland,.....	"	"	95*	97 $\frac{1}{4}$	94 $\frac{1}{4}$	96 $\frac{1}{4}$
Lancashire and York,.....	"	"	91 $\frac{1}{4}$ †	94 $\frac{1}{4}$	90 $\frac{1}{4}$	92 $\frac{1}{4}$
Sheffield,.....	"	"	35 $\frac{1}{4}$	35 $\frac{1}{4}$	33 $\frac{1}{4}$	33 $\frac{1}{4}$
South-Eastern,.....	"	"	71 $\frac{1}{4}$ *	72 $\frac{1}{4}$	70 $\frac{1}{4}$	70 $\frac{1}{4}$
South-Western,.....	"	"	92 $\frac{1}{4}$ †	94 $\frac{1}{4}$	93	92 $\frac{1}{4}$
Berwick,.....	"	"	93*	95	92 $\frac{1}{4}$	93 $\frac{1}{4}$
York and North Midland,.....	"	"	74 $\frac{1}{4}$ *	75 $\frac{1}{4}$	72 $\frac{1}{4}$	73
Northern of France,.....	20	16	36 $\frac{1}{4}$	38	36 $\frac{1}{4}$	38
East Indian,.....	Stock	100	106	106 $\frac{1}{4}$	104 $\frac{1}{4}$	105

* With dividend.

20

† Ex dividend.

Consols, however, are still nearly one per cent. below the price attained in April last, when the anxieties with regard to the struggle in India were still great, and when a number of members in the House of Commons were still predicting great troubles and protracted expenses from the China question. In railway shares, notwithstanding a fall in Great Northern and London and North-Western, there has been no great average change.

On the Paris Bourse during the month a sustained and considerable rise has at length been witnessed. The improvement has been almost uninterrupted, and now amounts to $3\frac{1}{4}$ per cent. At Vienna there has been a decline of 1 per cent., but this has been more than counteracted by a favorable movement of $1\frac{1}{2}$ per cent. in the rate of exchange, owing to an increased expectation that the resumption of specie payments on the 1st of January will be successfully carried out. At Amsterdam the markets have been firm, but without any material alteration.—*London Times*.

The *London Economist* of the 4th September, the latest date, thus notices the Money Market :

There has been an increased demand for money in commercial channels this week, and the market is not quite so easy as a fortnight ago. The current rates for first-class bills are $2\frac{1}{2}$ to $2\frac{3}{4}$ per cent., and discounters show more disposition to insist upon the latter rate. At the discount department of the Bank of England there have been very few applications until this day, when a fair demand was experienced. Preparations against the bills falling due on the fourth and fifth, probably have some influence. During the present month, and until the release of the October dividends, a good demand is looked for in the general market, at rates between $2\frac{1}{2}$ and 3 per cent.; and it is not at all improbable that the Bank may be enabled to make a temporary addition to their stock of private securities, for, as the treasury deposits accumulate in that establishment, the supply of money afloat is proportionately diminished. The calls on account of the various loans now in course of payment must also have some effect. As, however, the Bank have so enormous a sum ready to be lent on approved securities at 3 per cent., this rate represents the extreme limit of any possible rise in the value of money.

FOREIGN ITEMS.

Discovery of a Chest of Old Coins.—The *Court Journal* has the following :

"A most extraordinary discovery, which, for obvious reasons, is sought to be kept a profound secret, has taken place in an old ruined house at Iriel. An immense chest, full of gold and silver coins of English stamp, has been found concealed in one of the cellars, where it had been carefully walled up. From the papers and documents contained likewise in the chest, it has become evident that the house was once inhabited by Bolingbroke, who must have lain concealed here during the period wherein his whereabouts has always remained a puzzle to biographers and historians. In one of his letters, he mentions that 'his retreat is convenient to the Seine.' And the house in question is found to possess a subterranean passage leading down to the water's edge. The money is evidently the result of the subscription raised by the party of the Pretender, for want of which the latter was prevented from striking a decisive blow."

Vacancies, Appointments and Promotions in the Civil Service.—Bank of England—A vacancy in the Chancery and Exchequer office has been caused by the death of Mr. Robert Mathers, chief clerk. Customs—Mr. George Hingston has been appointed eighth clerk at Plymouth, Mr. Charles Cuddeford has been promoted from sixth to fifth class clerk at Plymouth, Mr. John Broadhead from seventh to sixth class clerk. Mr. E. Ralph from eighth to seventh class clerk. East Indies—Mr. R. Simson has been appointed under secretary to the government of India in the foreign department, Calcutta; Captain F. A. B. Thurburn has been appointed an assistant to the judicial commissioner of Oude for special duty; Mr. C. P. Carmichael has been appointed to officiate as magistrate and collector of Budaon; Mr. F. E. Hall has been appointed inspector of department of public instruction in the fourth or Saugor circle; Mr. J. Carne, assistant magistrate and collector, Humeerpore, has been promoted to the highest grade of deputy collector; Mr. J. H. Batten has been appointed civil and sessions judge of Cawnpore; Messrs. G. Ousley, F. H. Cooper, R. G. Taylor, and E. A. Prinsep have been appointed first class deputy commissioners in the Punjaub; Messrs. H. B. Henderson, B. Reid, James Nasmyth, and R. E. Egerton have been appointed second class deputy commissioners in the Punjaub.— *Civil Service Gazette.*

Trade Marks.—In a late suit in England between the Collins Axe Company of Hartford, Conn., and a Birmingham manufacturer, before Vice-Chancellor Stuart, at Lincoln's Inn, the Vice-Chancellor said:

If a plaintiff had an exclusive right to a particular trade mark, and that right was invaded, the court would protect that right, although the plaintiff might be an alien, and although the goods on which his trade mark might have been improperly used, were not usually sold by him in this country. In this case the plaintiff asserted, and adduced evidence to prove, his exclusive right to the trade mark and labels. The defendant, by his answer, admitted that right, but he stated therein circumstances which were to him (the Vice-Chancellor) entirely novel, and had never, in his experience, occurred in any case where the court had granted an injunction. The defendant said that it was the custom in Birmingham for manufacturers of goods to affix on the order of the merchant a particular trade mark, and that the manufacturer relied on the respectability of the merchant, if known to him, for the fact that the merchant had authority to act as agent or by way of license of the person whose trade mark was used. The plaintiff had not brought forward any evidence to disprove that statement, and the court must consider that there was *prima facie* evidence of its truth before it. The defendant also stated another circumstance which the plaintiffs had not denied—that the plaintiffs, viz., had ordered goods to be manufactured by English manufacturers at Birmingham, with the trade mark of the plaintiffs, for sale in foreign countries.

Failures in Paris.—The official returns of the Paris Court of Bankruptcy during the crisis: Number of failures from the 1st July 1857, to the 30th June 1858, was 1,016. There were but 760 during the same period in 1856-57. The total amount divided among the creditors in 1857-58, was 4,083,803 francs, and 5,657,442 francs are in hand undivided, whereas only 2,725,704 was divided in 1856-57. The dividends, however, are larger for 1857-58 than for the preceding year, since a great deal of the debts was commercial paper, then valueless, which has since been paid, whereas the debts of 1856-57 arose from losses on grain, and were irrevocable. It is said the French loss by returned bills does not exceed 7,000,000 francs during the last crisis.

London Money Market.—Of the English money market, the *London Economist* says:

An extraordinary degree of ease continues to prevail in the money market. Throughout the week the demand has been very moderate, and the supply of money on offer extremely large. The discount department at the Bank of England has been unusually idle. In the open market not the least difficulty has been experienced in getting choice bills discounted at $2\frac{1}{2}$ per cent. or $\frac{1}{2}$ per cent. below the bank minimum. In exceptional cases—i. e., where the paper is of the highest class, and has only a short period to run; or where the temptation of a considerable "batch" of good bills is offered; or, lastly, in transactions between the brokers themselves— $2\frac{1}{2}$ per cent. has even been accepted by establishments which have money lying idle. It is, of course, better for these houses to find temporary employment for the money upon terms almost

identical with those upon which they have received it, than to keep it entirely idle. In the present position of the market, the discount houses are sometimes forced to carry on business for a short period upon conditions which leave them little or no profit; their advantage, however, being that they are enabled to maintain their valuable connection both with lenders and borrowers. Occasionally, however, a change takes place, as was witnessed towards the latter part of June, when the general demand for money was very active, and discounters were enabled to obtain the full bank rate.

FRANCE.—We take the following very valuable statistics of the commerce of France from the *London Economist*:—

The total value of all importations made into France for domestic consumption and for exportation to foreign countries, was, in 1855, 2,159,700,000*f.*; in 1856, 2,740,900,000*f.*; and in 1857, 2,689,000,000*f.* The total of last year was, it will be seen, nearly 51,000,000*f.* below that of the preceding year. The total value of all exports made from France—that is French and foreign productions combined—was, in 1855, 2,159,700,000*f.*; in 1856, 2,740,900,000*f.*; and in 1857, 2,639,300,000*f.* The value of exports last year was consequently less, by about 100,000,000 than that of the year before. If we take the total value of importations for French consumption alone, we find these figures:—

1855.....	1,594,100,000 <i>f.</i>
1856.....	1,989,800,000 <i>f.</i>
1857.....	1,872,900,000 <i>f.</i>

The value of the imports last year was consequently £4,676,000 less than in the preceding year. If we take the total value of exports of French productions alone, we find these figures for the said three years:—

1855.....	1,557,900,000 <i>f.</i>
1856.....	1,893,100,000 <i>f.</i>
1857.....	1,865,900,000 <i>f.</i>

The value of the exports last year was consequently over 28,000,000 francs below that of the preceding year. On the whole these returns are less unfavorable, especially as regards the exclusive commerce of France, than from the commercial crisis of last year might have been expected; but it is to be remembered that the crisis broke out at the latter part of the year, and that the French, by means of extensive renewals of bills, staved off a great part of the consequences of it to the present year. The totals of French imports and exports above given, do not comprise the precious metals. The total importation of gold in the three years, 1855, 1856 and 1857, was £56,584,000, and the total exportation £15,004,000—excess of imports, £41,580,000. The total importation of silver in the said three years was £13,164,000, and the exportation not less than £47,868,000—excess of exports, £34,704,000. Silver being the principal, or, according to M. Michel Chevalier, the sole legitimate standard, the exportation of such a vast quantity of coin was certainly a fact of the gravest importance, and fully justified the apprehensions it created. But of late, as is proved by the monthly customs returns, the drain has ceased.

East India Company.—The selection of seven members of the Court of Directors of the East India Company for the new India Council took place in August. The successful candidates were Mr. Charles Mills, of the banking firm of Glyn, Mills, and Co., and senior director of the India Company; Captain John Shepherd, lately Deputy Master of the Trinity House, and Governor of the Hudson's Bay Company, both of which appointments he has resigned for his present office; Mr. Elliot McNaghten, formerly of the India bar and ex-chairman of the India Company; Sir James Weir Hogg, late member for Honiton, and twice chairman of the Company; Mr. R. D. Mangles, member for Guildford, and last year chairman of the Company; Mr. W. J. Eastwick, formerly captain in the military service of the Company; and Mr. H. T. Prinsep, formerly Government Secretary in Calcutta, and afterwards member of Council. The unsuccessful candidates were Mr. Astell and Colonel Sykes, together with the five Directors who held seats as nominees of the Government—Sir F. Currie, Sir Henry Rawlinson, Mr. J. P. Willoughby (the member for Leominster), Sir R. H. Vivian, and Sir G. Pollock. The Government have now to appoint eight members to make up the total Council of 15, which must be constituted by the 1st of September, when the East India Company will cease to exist.—*London Times.*

The New Law on Joint Stock Banking Companies.—This important act to enable joint stock banking companies to be formed for the first time on the principle of "limited liability," has just been printed. There are five sections in the Act, with a schedule of forms. The preamble recites that it is expedient to enable banking companies to be formed on the principle of limited liability. So much of the Act 20 and 21 Vic., c. 49, as prohibits banking companies from being registered with limited liability is now repealed: subject, however, to the proviso that no banking companies claiming to issue notes in the United Kingdom shall be entitled to limited liability in respect of such issue, but shall continue subject to unlimited liability in respect thereof, and that if necessary, the assets shall be marshalled for the benefit of the general creditors, and the shareholders shall be liable for the whole amount of the issue, in addition to the sum for which they would be liable as shareholders of a limited company. The registration of banking companies is not to prejudice the right to register as limited companies, but on the re-registration of a company with limited liability notice is to be given to the customers, and in default of such notice unlimited liability is to continue as to such customers. Every company is to annex a statement to their memorandum of association twice a year, as set forth in the schedule of their affairs, which is to be exhibited in the registered office of the company, and every branch office, under a penalty of 5*l.* a day on each director. Further, the Act provides that limited joint stock banking companies are to be wound up in the same manner, and under the same jurisdiction, as that in and under other joint stock banking companies. Other than limited are required to be wound up by the Joint Stock Banking Companies Act of 1857.

Life Insurance.—The subjoined letter relates to the claim of Mr. Vincent Scully upon the London Life Association, for payment of a policy of £5000 on the life of John Sadleir, which was technically vitiated by the suicide of that person. Mr. Scully had held the policy for several years as security for a debt, and it appears to be the custom of most assurance offices not to avail themselves of the suicide clause in *bona fide* cases of this description; but at a ballot of the members of the London Life on Wednesday last, it was resolved to reject his application. A minority of 82 members, however, expressed their opinion that the claim should in equity be recognized:—

"Sir,—Permit me now, upon public grounds, to direct your attention to my claim, noticed in your city article of the 22d of July, in respect of a policy in the London Life Association for 5,000*l.*, which was effected for me in 1849, on the life of the late Mr. John Sadleir as my security for a debt. In a commercial community it is of extreme importance that all insurance companies should scrupulously respect the rights of *bona fide* creditors, and not set up mere legal grounds to vitiate policies effected to secure honest debts. In my own case the result of the ballot taken yesterday has for the present proved unfavorable, by a majority of 215 to 82 votes; but the circumstance that, notwithstanding the overwhelming influence suddenly used against me, so many independent members should have recorded their unbiassed votes for a mere stranger, strongly fortifies my previous conviction, that an appeal to Englishmen for fair play would not be ultimately urged in vain. Inclosed are the printed papers, which explain the whole case.

"You will observe it is not denied that from the moment of its issue in 1849, I had always held the policy in my own possession, relying upon it as my undoubted security, it being the uniform and settled practice of all but two other insurance offices to pay *bona fide* creditors, notwithstanding any suicide clause in their policies. In those two offices, as in the London Life, an appeal for payment may be made to the members. The just principle I have contended for of paying *bona fide* creditors is now fully recognized, even by the members of the London Life Association; since at their last general meeting on the 21st of July, though for the present rejecting my claim, they unanimously passed a retrospective resolution, abrogating in their own favor the suicide clause as to their existing, as well as to future policies. It is strange, indeed, that such should be the only result of my laborious exertions in collecting for the London Life the rules and practice of other insurance offices.

"I am, Sir, your obedient servant,

"VINCENT SCULLY."

"Merrion-Square, Dublin, August 5, 1859."

THE ASSAY OFFICE, NEW YORK.

THE ASSAY OFFICE.—The importance of this establishment to the commerce of New York is daily becoming more obvious. Since the commencement of its operations (Oct. 10th, 1854,) the amount of gold converted into fine bars has been over seventy-three millions of dollars, in a period of forty-five months, or about \$1,625,000, on an average, per month. For remittances abroad these bars serve as good a purpose as the gold coin. At the French or English mint, no distinction is made in the value between the coin and the bars. With the prospect before us of still larger accessions of gold from the Pacific shores, it is probable that the capacity of the Assay office to execute all orders given to it, will be fully tested.

The amount of deposits for the last six months is somewhat in excess of the corresponding period of the year 1857. We are indebted to the politeness of Mr. Cisco, Assistant Treasurer, for the following recapitulation:

Fine Gold bars, manufactured at the U. S. Assay Office, New York, from the commencement of its operations (October 10th, 1854,) to June 30th, 1858:

4th Quarter, 1854.....	\$2,888,059 18	
1st " 1855.....	3,401,465 78	\$2,888,059 18
2d " ".....	4,204,032 16	
3d " ".....	6,024,577 99	
4th " ".....	6,811,737 70	
1st " 1856.....	6,080,956 34	\$20,441,813 63
2d " ".....	2,924,367 69	
3d " ".....	4,155,798 88	
4th " ".....	6,234,926 98	
1st " 1857.....	3,270,501 77	\$19,396,049 89
2d " ".....	5,326,069 29	
3d " ".....	5,681,019 82	
4th " ".....	7,413,522 14	
1st " 1858.....	3,295,435 41	\$21,691,113 02
2d " ".....	5,408,713 67	
		\$8,704,149 08
Total, 21 months.....		\$73,121,184 80

In the absence of an Assay Office at this port, for the past four years, all this accumulated gold must necessarily have been sent to Philadelphia for coinage at the Mint, involving a loss to the owners of \$73,121 for express charges alone, besides delays, and besides the additional expense for conversion into coin. Upon inquiry we find that the express charges to Philadelphia are fifty cents per thousand dollars, equivalent on the whole sum of \$73,121,184 to..... \$36,560

and return..... 36,560

Add $\frac{1}{2}$ per cent. for coinage..... 73,121
365,600

Total cost avoided..... \$438,721

from which deduct the small charge for conversion into bars.

BANK ITEMS.

NEW YORK.—The death of George Newbold, Esq., President of the Bank of America, took place at Philadelphia, on the morning of the 8th of September, at 8½ o'clock. Mr. N. had for a long period been considered as the leading man in the financial circles of New York. He entered the Bank of America as one of the directors, in the year 1812, at the same time with Mr. Stephen Whitney, who is the only one now living of the first Board, consisting of eighteen members. Mr. Newbold was elected cashier in the year 1815, at the time Mr. William Bayard was President, and in 1832 was elected to the latter office, a position which he held until his death.

In common with the banks of Boston, New York, and other cities, the Bank of America failed in the month of May, 1837. In August of that year a convention of the New York City banks was held, to consider the proposition for the resumption of specie payments. This convention was followed by another on 27th of November, and again on 16th April following. In all these movements for a restoration of specie payment, Mr. Newbold's voice was strong and firm. It was mainly through his influence, and that of Mr. Gallatin, that the banks of the Atlantic States undertook a resumption in May of the year 1838. At that time, and at all subsequent times, Mr. Newbold has consistently and firmly sustained himself as a conservative banker—wise in council, firm in purpose, clear in judgment, and at all times an advocate of sound banking. The predecessors of Mr. Newbold, as President, were Mr. William Bayard, in 1812, and Mr. Thos. Buckley, in 1816.

At a meeting of the Board of Directors of the Bank of America, held September 10th, 1858, on the occasion of the death of George Newbold, Esq., late President of the Institution, the following resolutions were unanimously adopted:

Resolved, That the Board of Directors of this Bank have received with profound sorrow, information of the decease of their late President, George Newbold, Esq.

In recording this painful event they deplore the loss of an officer of signal honor, integrity, and ability—of just conservatism and rare liberality—connected with the bank from its first commencement and devoted to its interests; of an associate uniformly kind and courteous, and of a man highly exemplary in all the social and family relations; while the community at large have sustained the loss of a citizen, prominent on all occasions when enlightened public spirit, valuable counsel, and active benevolence were required to shed lustre on our noblest institutions.

Resolved, That the members of this Board attend the funeral of the deceased, and that a copy of these resolutions be transmitted to his family, with the assurance of their deep sympathy in this bereavement.

By order of the Board,
J. PUNNETT, Cashier.

Bank of America.—James Punnett, Esq., the Cashier of the Bank of America since 1846, was on the 21st September unanimously elected President of that Bank, to fill the vacancy occasioned by the death of George Newbold. William L. Jenkins, Esq., hitherto Assistant Cashier, was elected Cashier to fill the vacancy occasioned by the promotion of Mr. Punnett.

Brooklyn.—The name of the Mechanics' Bank, Williamsburgh, L. I., will be changed to that of "Manufacturers' Bank," at Brooklyn, L. I., on the 1st day of October, 1858. The change is rendered necessary in consequence of the incorporation of Williamsburgh with Brooklyn, and there being another "Mechanics' Bank" in Brooklyn. The bills and checks of the Mechanics' Bank at Williamsburgh will be redeemed as usual at the Shoe and Leather Bank of New York, and the bills and checks of the Manufacturers' Bank will also be redeemed at the same Bank.

Small Coin.—Our banks have lately made complaints that they are overcrowded with silver coin, which being a legal tender to a small amount only, they have no channels for getting rid of it. On the other hand, our hotels, omnibus proprietors, and others, who have occasion for small change in large sums, complain that they cannot get such small coin. We know several instances in which the bank tellers have refused to give such coin for other money, some on the score that they had not time to make the exchange; others, that they had not the coin on hand. This difficulty may be remedied by the banks placing a notice at the counter, that "Small silver coins will

be exchanged in sums of \$10, \$20, or \$50, for gold or New York city bills." If this were done, the banks would instantly be relieved of the "dead weight," and our national coins would find more free circulation in the various channels of trade and exchange.

Kinderhook.—The Union Bank of Kinderhook was robbed on Wednesday night, September 15th, the safe being blown open by gunpowder. Some six or eight thousand dollars of the notes of the bank were taken; and as other papers, left undisturbed in the safe, are scorched by the explosion, on the ends, it is presumed that the bills taken are likewise in the same condition, which may help in the detection of the robbers. The bank building is situated in the heart of the village of Kinderhook, but no one was disturbed, though there was concussion enough produced in blowing open the safe to stop the bank clock, at about one, which was probably the time of the robbery. The burglars got in the rear window. They broke open the outside shutter and bored through the inside shutter, which enabled them to raise the window bar and get into the bank. The large iron door of the safe, weighing about 300 lbs, was blown off by powder with such force as to be thrown entirely across the room. It is supposed that about the sum above named was taken—mostly in bills. A portion of the bills taken were mutilated—having been withdrawn from circulation, and were soon to be returned to the bank department to be destroyed. It is possible, also, that some, or all of the bills were scorched, as portions of the papers in the safe were—probably from the fire communicated by the explosion. The clock stopped at half-past one A.M. That was doubtless the time of the explosion. The frequency with which these depredations are made, shows the necessity on the part of the banks of having **BURGLAR PROOF LOCKS** for their safes and vaults. Our readers are referred to the advertisements on this subject, on the cover of this work.

Lansingburgh.—The Bank of Lansingburgh has just declared its regular semi-annual dividend of 4 per cent., payable October 1. This is the eighty-ninth dividend of this bank. Its first dividend was declared April, 1814, just 44½ years ago. This example of conservative and successful banking is as rare as commendable.

MASSACHUSETTS.—A meeting of the officers and directors of the following banks was held at the Massasoit House, in Springfield, Mass., Friday, September 10, 1858:—Agawam Bank, Springfield, Mass.; Brattleboro' Bank, Brattleboro', Vt.; Chicopee Bank, Springfield, Mass.; Conway Bank, Conway, Mass.; Cabot Bank, Chicopee, Mass.; Franklin County Bank, Greenfield, Mass.; Greenfield Bank, Greenfield, Mass.; Holyoke Bank, Northampton, Mass.; Hadley Falls Bank, Holyoke, Mass.; John Hancock Bank, Springfield, Mass.; Lee Bank, Lee, Mass.; Monson Bank, Monson, Mass.; Pynchon Bank, Springfield, Mass.; Shelburne Falls Bank, Shelburne Falls, Mass.; Westfield Bank, Westfield, Mass. After full discussion it was unanimously

Resolved, That it is expedient that the banks represented at this meeting, and other banks inclined to sustain the Bank of Mutual Redemption, withdraw their deposits from the Suffolk Bank.

Resolved, That the representatives of the several banks here present, will recommend to their several institutions, at meetings to be held next week, to vote to remove their special deposits from the Suffolk Bank as soon as forty banks, including those which have already acted, shall have united in the movement.

It was also resolved that the secretary be requested to communicate the proceedings of this meeting to all the banks in New England out of Boston, with an invitation to unite in this movement, and to communicate to him their action on an early day.

LAUGHTON BANK OF LYNN.—The Boston Traveller, says:

"We learn that an embezzlement of some \$7,000 of the funds of the Laughton Bank of Lynn, has recently been discovered, the circumstances of which are as follows:—Mr. Henry W. Smith has been employed for a number of years in the bank, in the capacity of teller. His father-in-law, Mr. Samuel T. Huse, is a member of the shoe manufacturing firm of H. S. George & Co., of Lynn. A recent examination of the books disclosed the fact that the funds of the bank were deficient to the amount of about \$6,400.

On inquiries being made, Mr. Smith acknowledged that he had abstracted \$7,000, thus leaving \$1,400 which is still unaccounted for. The money, it is understood, was used for the benefit of H. S. George & Co., with the intention on the part of Mr. Huse to replace the amount; but by some derangement in his business affairs, he was

unable to do this, and hence the discovery, which has obliged them to stop payment and deliver up their assets for the benefit of their creditors. The bank has been nearly secured on its claims of \$7,000. It is asserted by Mr. Smith and his friends that the embezzlement was the operation of a single day; but those who have investigated this affair express a different opinion, and believe that the embezzlement has been in progress for some years, remaining until now undiscovered by the higher officers of the bank. Up to the time of this discovery Mr. Smith has borne a very excellent reputation.

CONNECTICUT.—The Litchfield Bank, of Litchfield, Ct., was enjoined on Saturday, Aug. 28, on application of Bank Commissioners Noyes and Clark. The injunction was issued by Judge Ellsworth, Hartford, upon the application of the senior Bank Commissioner, who it seems has long been on the alert in relation to this bank, and has finally closed its door. Its circulation in the hands of the people is less than \$20,000—it has been nearly \$60,000.

The hearing in the case was commenced at Hartford yesterday, and adjourned over. The complaint of the Bank Commissioners states that the capital of the bank has not been paid in according to law; that its circulation is now nearly, or quite thirty thousand dollars; that its business has been badly conducted; that its assets are insufficient to pay its debts, and that the billholders, depositors, and the public are in danger of being defrauded by the bank. Mr. Dutton, a counsel for the bank, maintained that they have not over \$3,000 in circulation. Their whole indebtedness is less than \$45,000. They have of well secured paper more than three times enough to pay their debts, and their stock, about \$90,000, is all in the hands of sound men.

PENNSYLVANIA.—The movement inaugurated by the Philadelphia Banks on the first of September, for the purpose of redeeming at their own counters the notes of all the country banks which keep their bills at par in Philadelphia, and of sending home for redemption in specie the bills of such banks as fail or refuse to keep them at par, gives great satisfaction to all except those whose profits from a too extended and unsafe circulation are interfered with. The country merchant who comes to Philadelphia to buy goods, no longer has to submit to a shave of one-half or one per cent. on the bills he brings from home. He neither pays it directly to a broker, nor has he to pay it indirectly in an advance put upon his purchases. His cash is cash in full, and he has all the benefit of it.

The Philadelphia *Press* suggests, that a similar arrangement should be made respecting the small notes of the banks of New Jersey and Delaware, from which we were so happily freed by the operation of the law passed under Gov. Bigler's administration, but which during the pressure of the recent financial distress, succeeded in again gaining a foothold in the community. Others denounce this proposition, and appeal to the necessity and propriety of enforcing the law upon the subject, which is far more certain in its action, and more efficient as a means of ridding the community of foreign small notes, than any action of the banks could possibly be. The laws are plain, easy of execution, and well known in all the neighboring States, and it is only necessary for the public to respect them, and the small notes will disappear as surely and as speedily as they did before. The example of the city banks in respecting the law, is worth far more than any aid they could render in enforcing the redemption of the notes.—*Peterson's Detector*.

McKean Co.—We learn that at a meeting of the board of directors of the McKean County Bank, held August 23d, 1858, it was decided in consequence of the gross abuse and misappropriation of the funds of said bank by its cashier, W. H. Dedrick, that he should be deposed, and relieved of the duties connected with the cashiership of said bank. Also, that Samuel L. Casey, Esq., was fully empowered to make all collections and settlements in the affairs relating to said bank. We deeply regret the necessity of announcing the resignation of the president, Daniel Kingsbury, Esq. The sad and short career of this bank is of great importance to the people of McKean county, and is irremediable, and may be attributed wholly and solely to the duplicity and dishonesty of its cashier, acting in collusion with a director (a connection of his), and the land sharks of Wall street, in the abuse of his trust."

Philadelphia.—The Corn Exchange Bank has been put in operation in Philadelphia. Alexander G. Cattell, Esq., is the President, and John W. Torrey, Esq., the Cashier.

The first named gentleman combines all the necessary qualities of decision, promptness and shrewdness, while the Cashier is well known in the bank circles of Philadelphia for his thorough knowledge of the business in all its details, and will prove an excellent officer. A better mounted institution has not been started in Philadelphia for a long while, and if skill, sagacity and enterprise, combined with good manners, will ensure success, the Corn Exchange Bank cannot fail to be largely successful.

Currency.—Before the first of September the notes of the following named banks of Pennsylvania were received on deposit at the Philadelphia Banks:

Allentown Bank, Bank of Catasqua,	Farmers and Mechanics' Bank of Easton.
Bank of Chester County, Westchester.	Farmers' Bank of Bucks County, Bristol.
Bank of Chester Valley, Coatesville.	Farmers' Bank of Lancaster.
Bank of Danville, Danville.	Farmers' Bank of Reading, Reading.
Bank of Delaware Co., Chester.	Lock Haven Bank
Bank of Germantown, Germantown.	Lancaster County Bank, Lancaster.
Bank of Montgomery Co., Norristown.	Mauch Chunk Bank, Mauch Chunk.
Bank of Pottstown.	Miners' Bank of Pottsville.
Colum. Bank and Bridge Co., Colum.	Octarara Bank, Oxford.
Doylestown Bank, Doylestown.	Stroudsburg Bank.
Easton Bank, Easton.	

The following are made par by the action of the city banks on the 1st of September:

Anthracite Bank, Tamaqua.	Lebanon Bank.
Bank of Chambersburg.	Lebanon Valley Bank.
Bank of Gettysburg.	Lewisburg Bank.
Bank of Middletown.	Union Bank, Reading.
Bank of Northumberland.	West Branch Bank, Williamsport.
Harrisburg Bank.	Wyoming Bank, Wilksbarre.
Honesdale Bank.	York Bank.
Jersey Shore Bank,	York County Bank.

List of Banks in New Jersey received on deposit at Philadelphia, fives and upwards:

Bordentown Banking Company, Burlington.	Millville Bank, Millville.
Bank, Burlington County Bank, Medford.	Mount Holly Bank, Mount Holly.
Cumberland Bank, Bridgeton.	Princeton Bank, Princeton.
Farmers', Mount Holly.	Salem Banking Company, Salem.
Farmers and Mechanics' Bank, Camden.	State Bank, Camden.
Gloucester County Bank, Woodbury.	State Bank, New Brunswick.
Mechanics' Bank of Burlington.	State Bank, Newark.
Mech. and Manuf. Bank, Trenton.	Trenton Banking Company, Trenton.
	Union Bank of Frenchtown.

Delaware Bank notes in 5's and upwards:

Bank of Delaware, Wilmington.	Farmers' Bank of Dover, branch at Wil-
Bank of Newark, Newark.	mington, branch at Newcastle, branch
Bank of Smyrna, Smyrna.	at Georgetown.
Bank of Wilmington and Brandywine.	Newcastle County Bank.
Mechanics' Bank, Wilmington.	Union Bank, Wilmington.
Delaware City Bank, Delaware City.	

Lancaster.—Edwin H. Brown, Esq., has been elected Cashier of the Farmers' Bank of Lancaster, in place of Henry R. Reed, Esq., resigned.

Redemption of State Currency in Philadelphia.—It should be more generally known and recognized as true, that the banks of this city have made unusual exertions, during the past six months, to put the bank note currency of the interior of the State on a footing as safe as their own. The Legislature undertook a compulsory system in this respect, which would, because it was compulsory and premature, have done very great harm, and probably no good; but now the negotiations which have been in progress for some months have accomplished, by voluntary action of the various parties, all that is required. The Farmers and Mechanics' Bank has been selected as the agent for the substantial redemption of all the notes of the banks located east of the Alle-

ghanies, this bank undertaking their conversion into specie for the fixed charge of one quarter per cent., which is to be paid by each bank on its own receipts of this currency. Thirty-eight banks are embraced in the list so placed at par, and the notes of all these are received at par at the counters of all the city banks.

For all practical purposes the issues of these thirty-eight banks of the interior are equivalent to specie, and the practice of collecting and returning to the point of issue for specie, will cease, since it is no longer necessary to get rid of them as uncurrent. They will consequently take their place in circulation, adding to the sum of safe currency here the large share of their issues which the course of business always brings here.—*Phila. North American*.

Fraud.—An ingenious attempt was recently made to swindle a firm of Philadelphia stock brokers out of \$5,900 by means of a forged draft on the New York firm of Clark, Dodge & Co. The draft was sent to New York, and the next morning a telegraphic despatch was received by the Philadelphia house notifying them of its acceptance. Something about this despatch excited suspicion, and one of the firm took it to another room to consult his partners. Meantime a genuine despatch arrived from Clark, Dodge & Co., saying the draft had been protested. This despatch was opened by a clerk, who not knowing of the first despatch handed it to the forger, who had just called for the money, and this gave him time to slide. The scheme was well arranged by the two rogues in Philadelphia and New York, but it failed because bankers and brokers are not apt to pay money upon telegraphic orders except when they use a secret cipher.

MARYLAND.—Among the evidences of growth shown by Piedmont, an important station on the Baltimore and Ohio Railroad, located at the foot of the mountain division and in the centre of the Alleghany coal region, is the establishment of a Savings Bank. It is, by the provisions of its charter, not a bank of issue, but merely of deposit and discount, and will, no doubt, afford to the business men of the place efficient service in the making of collections, payment of drafts, &c., while to the mining and operative population of the surrounding region it will offer at once an opportunity and incentive for the safe deposit of their savings.

VIRGINIA.—At a meeting of the Directors of the Bank of the Commonwealth held on Monday, June 28th, John B. Morton, Esq., was chosen Cashier. His intimate acquaintance with the business men and wants of the community; his many years' experience in the exchange business; his known prudence, his high moral qualities, and, not least, his urbanity of manners, make this a most judicious appointment. The Stockholders have been particularly fortunate in the election of their President and Directors.

New Bank.—The Manassas Bank at Front Royal, Warren Co., was organized in August last. Edward B. Jacobs, Esq., President; Presley S. Campbell, Esq., Cashier.

Kentucky.—Madison C. Johnson, Esq., was, on the 31st of August last, elected President of the Northern Bank of Kentucky, as successor to Mr. Scott, deceased.

Mr. Matthew Thompson Scott, President of the Northern Bank of Kentucky, died at his residence in Lexington, Ky., on the 20th day of August last, in the 73d year of his age. In the year 1806, Mr. Scott, being then 20 years old, was appointed a clerk in the Old Bank of Kentucky, and from that time to the day of his death, was connected with some of the most prominent banking institutions of Kentucky, in all which positions his management was with marked ability, and to the satisfaction of the stockholders and the community.

Northern Bank of Kentucky, Lexington, August 21, 1858.

At a meeting of the Directors and officers of this bank, held at their banking rooms this morning, at 9 o'clock, the following resolutions offered by W. A. Dudley, Esq., were unanimously adopted:

Resolved, That this Board has received with profound regret, the melancholy intelligence of the death of their late President, Matthew Thompson Scott. Connected with this bank as Cashier and President, since its organization (a period of more than twenty years), he has devoted himself to its interests with an ability, industry, and fidelity, which contributed greatly to the prosperity of the institution, and merited and received the approbation of its stockholders and the public. His official conduct was above all praise, and his private life beyond reproach.

Resolved, That this Board tender to his afflicted family the assurance of their sincere sympathy, and, as a last mark of their esteem, will attend the funeral in a body.

Ordered, that these resolutions be published in the newspapers of the city, and that the cashier communicate them to the family of the deceased.

A. F. HAWKINS, Cashier.

MICHIGAN.—We republish in full, in this Number of the Bankers' Magazine, the General Banking Law of Michigan, as adopted in February, 1857. This law is to be submitted to a popular vote of the people in November next. It will probably be confirmed; but it is thought that few banks will be organized under the new law, until that provision of the constitution is modified which imposes a liability upon stockholders to the uttermost debts of such corporations.

Minnesota.—Some fifteen propositions for the establishment of banks in Minnesota, have been received at the office of the State Auditor. Among the applications are the following accepted ones:—T. R. B. Eldridge, for the Bank of St. Paul, and the Exchange Bank, at Glencoe, McLeod county, each with a capital of \$25,000, and to go into operation on the 5th of October; of H. Daws, for the Farmers' Bank, at Garden City, with \$25,000 capital, and commencing on the 10th of October; J. E. Burlock and J. L. Hathaway, for the Bank of Owatonna, the Bank of Mantako, and the Bank of the Capitol at St. Paul—each with a capital of \$25,000, and to commence on the 1st of November. State Bank of Minnesota, Austin, Mower county. Bank of Faribault, Faribault, Rice county. Bank of Northfield, Northfield, Rice county.

MISSOURI.—The Boatmen's Savings Institution, the St. Louis Savings Institution, and the Franklin Savings Institution, all located in St. Louis, have published the following notice:

"The undersigned Savings Institutions hereby notify their depositors and the public, that they will continue to keep but one account for gold, silver, and the notes of the specie-paying banks of the State of Missouri, (city and branch paper, as also Farmers' Bank of Lexington,) and pay out the same funds promiscuously. They further pledge themselves that they will not call on the banks in the city and in the interior for coin, unless compelled by the wants of their depositors to do so, to meet their own liabilities; in which latter case a reflecting public will not construe the collection of just debts as a warlike measure against the banks, for the Savings Institutions entertain no hostile feeling against them, and think that banks, properly conducted, are needed for the increasing traffic of our State and city, but that the specie basis should be maintained for our bank issues.

OHIO.—Creditors of the Ohio Life and Trust Company representing claims to the amount of half a million, have commenced suits in the United States District Court of Ohio, against the trustees and assignees personally. It is stated that the trustees of the Company gave the N. Y. cashier in August, 1858, an unconditional release from every liability connected with his administration of the affairs of the Company in New York.

Cincinnati.—The Bank of the Ohio Valley, at Cincinnati, commenced business on the 1st of September. President, W. W. Scarborough, Esq; Cashier, William A. Goodman, Esq.

Currency.—Pennsylvania currency, bankable in Philadelphia and Pittsburg, is now received by most of the bankers here from depositors at par. There is no disposition, however, to encourage the free circulation of the paper of the New Pennsylvania banks in this section, and it is in most cases returned for redemption as fast as received. —*Cinc. Gazette.*

TENNESSEE.—H. C. Shapard, Esq., has been elected Cashier of the Merchants' Bank, Nashville, Tennessee, to succeed John Porterfield, Esq., resigned.

The Union Bank.—We learn from the Memphis Bulletin, that the Union Bank is to supply the branch of that institution located at Memphis, with one million dollars of its notes, made payable on their face at other points, but stamped with a pledge of redemption in specie at that point. The reason for this course is, that the Union Bank has no notes engraved, payable at Memphis, and that by the course they propose, the same result will be obtained, as if they were, upon their face, made payable there. This is a very good move, in the right direction. —*Nashville Daily News.*

Clarkesville.—The Bank of America, at Clarkesville, Tennessee, has suspended payment. The circulation of the Bank of America will be redeemed at the Merchants' Bank and the Traders' Bank of this city. Note holders need have no fears, as the stockholders of the Bank don't intend to permit them to lose anything. Having gone through the late crisis without suspending, they can't afford to "knock under" now.

Accident.—On the 6th inst. Mr. F. G. Roache, cashier of the Memphis Bank, and Mr. G. R. S. Gilleland, another of the bank employees, were severely burnt by an explosion of gas in the vault. On Saturday night the gas light in the vault was left burning. The vault being air-tight, the light went out for want of oxygen, and the gas escaped all night, next day, and the following night, filling the vault. On Monday

morning the cashier opened the vault, and lit a match to apply to the burner, when the explosion took place.

Memphis.—The Southern Bank at Memphis has suspended specie payment. Mr. Davie, the President, has issued the following notice :

"SOUTHERN BANK. *Monday, August 30, 1858.*

"I am informed by the officers of the other Banks that they will to-day refuse to receive the notes of the Bank of America. Such being the case, I am unable to pay your deposits, but I hope to be able to do so in a short time. But I hereby pledge my individual property for the payment of every dollar due to you.

"W. J. DAVIE, President."

It is understood that the Bank will go into liquidation. It is one of the Free Banks, and has bonds on deposit, with the Comptroller, to the amount of \$50,000. Its circulation, which is mostly in Kentucky, and in Northern Tennessee, is about \$40,000. The note-holder, therefore, is very well secured, and ought not to make unnecessary sacrifice. The amount due to depositors, we learn, is something like \$15,000, all of which we doubt not, from Mr. Davie's personal character and property resources, will be made good with time.

Wisconsin.—At a Convention of Bankers, held at Milwaukee, on the 8th Sept., there was organized an association, the object of which, the preamble to its constitution sets forth as follows :

"We, the undersigned, representatives for the respective Banks hereinafter subscribed for, in order to more fully effect the object of the general banking law of this State, by protecting its rights and preventing its abuse, do establish this Constitution for 'The Bankers' Association of Wisconsin.'"

Its officers consist of Alexander Mitchell, President, and a board of nine directors, under whose management the associated banks will be governed in matters pertaining to currency and its redemption.

A list of Banks, deemed inaccessible—solely Banks of circulation—were required to redeem at Madison or Milwaukee, at such rates less than the current selling price of exchange as will enable the legitimate discounting banks to "convert" all Wisconsin Bank notes into exchange without loss. Forty-five Banks were represented in convention, and united in this system of regulating their currency. It is not designed to discredit any Wisconsin money (all so well secured), but to force such as are termed "wild," into a fair rate of redemption, else wind them up. With a determination on the part of the "regular" banks to keep out all money not convertible at as low rates, this combined effort to secure a sound and reliable circulation for Wisconsin is commendable.

Janesville.—The Bank Comptroller of Wisconsin has given notice that the Janesville City Bank, having failed to redeem its protested circulating notes, the trust funds deposited with the State will be sold and applied *pro rata* to the redemption of the same.

Bank Dividends for August.—The following dividends were declared payable in August. We annex the rates for the year previous:—

Name of Bank.	Aug 1857. Per cent.	Feb'y 1-58. Per cent.	Aug. 1858. Per cent.
Bank of the Republic.....	5	5	5
Citizens' Bank	4	4	4
Corn Exchange Bank	4	3	3½
Leather Manufacturers'.....	5	5	5
Manhattan Bank	5	4	5
Marine Bank.....	4	None	3½
Ocean Bank	3½	3	3½
St. Nicholas Bank.....	4	None	3½
Oriental Bank	3½	3½	3½

PRIVATE BANKERS.—Messrs. Greene, Dakin & Co. succeed Messrs. Greene, Weare & Co. at Clinton, Clinton Co., Iowa. The card of the new banking house may be found on the cover of this work.

OHIO.—Messrs. A. M. Perry & Co. have relinquished the banking business at Cleveland.

WASHINGTON, D. C.—Messrs. Chubb Brothers, of Washington City, bankers, have been obliged to suspend payment, owing, as they state, to some very unexpected calls upon them. They further say that their liabilities are not large, and they hope to resume payment at no distant day.

Notes on the Money Market.

NEW YORK, SEPTEMBER 24, 1858.

Exchange on London, at Sixty days' sight, 10 a 10½ premium.

The money market remains very easy. The banks of this city are enabled to maintain a discount line of \$124,000,000, with an abundant specie reserve amounting to \$28,000,000. The only unfavorable feature we have to notice is an advance in the rate of exchange on London from 9½ and 9¾, as reported in our last Number, to 9¾ and 10 per cent. premium, for the steamers of last week and this week. The export of specie from this port for the nine months since 1st January, 1858, has been..... \$19,400,000

Against an export of 1857, for same period,..... 32,554,000

We annex a comparative summary of the specie export for the previous six years, for the same period (January 1 to September 20).

1852,.....	\$19,570,000	1855,.....	\$28,421,000
1853,.....	14,194,000	1856,.....	24,515,000
1854,.....	27,408,000	1857,.....	32,554,000

The increased demand for exchange is more than equal to the exports of produce, &c.; the deficit must therefore be supplied with coin.

The banks are enabled to discount nearly all the acceptable paper that offers, so that in fact very little paper of a good stamp finds its way to the brokers. We quote for

First class paper, 60 days to 4 months,.....	4 a 5¼ pm.
" single names, 4 to 6 months,.....	5 a 7 "
" endorsed six months,.....	5½ a 6¼ "
Loans on call, with State bonds as collaterals,.....	4 a 4½ "
" railroad shares collaterals,	5 a 7 "

We renew our summary of the quotations of foreign exchange:

	July 26.	Aug. 24.	Sept. 24.
London, 60 days, Bankers' Bills,.....	109½ a 109¾	109½ a 109¾	110 a 110½
Do do Mercantile Bills,	109 a 109½	109 a 109½	109 a 109½
Do do Bills of Lading,.....	108½ a 109	108½ a 109	109 a 109½
Paris, 60 days' sight,.....	5.11½ a 5.11½	5.11½ a 5.10	5.13½ a 5.11½
Antwerp, "	5 1½ a 5.11½	5.11½ a 5.10	5.12½ a 5.11½
Hamburg, "	36½ a 37	36½ a 36½	36½ a 36½
Bremen, "	79½ a 80	79½ a 79½	79½ a 79½
Amsterdam, "	41½ a 41½	41½ a 41½	42½ a 42½

The savings banks have as large sums out on bond and mortgage as their by-laws permit. For loans on call they get from 4 to 5 per cent. secured by State Bonds as collateral. These institutions formerly obtained an interest of 4 per cent. upon their cash balances in Wall Street banks, but the recent determination to allow no longer any interest on such deposits, compels the savings banks to keep smaller cash balances (or uninvested funds) on hand.

The demand for State loans is steady without any material changes in values. For investment some prefer Indiana bonds to those of Missouri—the six per cents. of the latter being below the five per cents. of the former. This will appear extraordinary when we view the repudiating character of Indiana loans and the greater caution of Missouri in creating a State debt. United States Sixes are firm at 114 a 114½; we hear of sales of the new five per cents. at 103½, but there is no disposition shown generally to sell under 103½ a 104. Kentucky and Ohio Sixes are firm at quotations, and few bonds offering in the market. California Sevens have declined ½ per cent. this week, and nearly three per cent. since the close of August. Pennsylvania has reduced her bonded debt by several millions of dollars, and will liquidate the whole, by a sure process, in a few years. The sales of Missouri Six per Cents. during the month have been quite large without any depreciation, the demand being steady for banking purposes. Tennessee Six per Cents. have de-

closed since 1st July from 94 to 90½; Louisiana, from 96 to 92; North Carolina, from 99½ to 94 a 95. We annex quotations since the close of July:

	July 30th.	Aug. 6th.	13th.	20th.	27th.	Sept. 3d.	10th.	17th.
U. S. 6 per cents. 1867-8.....	114½	114	—	114	114½	114	114	114
U. S. 5 per cents. 1873.....	—	—	104	103½	103½	103½	103½	103½
Ohio 6 per cents. 1886.....	107	106	103	107	107	106½	106½	106
Kentucky 6 per cents.....	104	104	104	104	104	104	104	104
Indiana 5 per cents.....	87½	87½	88	88½	89	88½	88½	89
Pennsylvania 5 per cents.....	89½	89½	89½	89½	89½	89	89	89
Virginia 6 per cents.....	92½	92½	92½	92½	92½	92½	92½	93
Georgia 6 per cents.....	96	96	100	100	100	100	100	100
California 7 per cents. 1877,....	86½	86½	85	85½	84	82	82	81½
North Carolina 6 per cents....	96½	97	96½	96	95	95	95	94
Missouri 6 per cents.....	85½	85½	85½	84½	84½	84½	84½	84½
Louisiana 6 per cents.....	93	93	93	93	93	92½	92½	92
Tennessee 6 per cents.....	93	92½	92½	91½	90	91½	90½	90½

The rapidly increasing subjects of taxation throughout the country, is an additional guarantee of the prospective ability of each State to maintain its credit. Even in Arkansas and Mississippi, where public credit is sufficiently appreciated, great stress is laid upon their financial position as a strong one. In Mississippi it is urged by the official State paper—

The value of lands assessed in 1857, was.....	\$141,747,000
Value of slaves, 362,000, at \$600 each, 1852,.....	220,800,000
Value of live stock (in 1850 by U. S. Census,).....	19,400,000
Value of cotton produced annually (500,000 bales) at \$50,.....	25,000,000

Total, \$106,947,000

The absorption of ten millions in gold by the Treasury has temporarily reduced the specie reserve of the banks, which in this city now amounts to over twenty eight millions. We annex the banking movement for the past eight months, showing the averages for the week preceding the dates mentioned:

1858.	Loans.	Circulation.	Deposits.	Sub-Treasury.	Bank Specie.	Total Specie.
Jan. 2,	\$98,549,000	\$6,490,000	\$78,635,000	\$3,259,000	\$28,561,000	\$31,820,000
Feb. 6,	103,602,900	6,873,080	86,000,000	3,168,700	30,652,900	33,821,600
Mar. 6,	105,021,000	6,854,000	90,382,000	2,996,700	32,739,700	35,736,400
April 3,	110,568,000	7,232,080	93,569,000	5,548,000	31,530,000	37,078,000
April 24,	111,003,000	7,140,000	95,340,000	3,685,000	34,113,800	37,802,806
May 1,	111,863,000	7,431,000	98,438,000	3,145,400	35,061,200	38,209,600
June 5,	116,424,000	7,548,000	101,489,000	5,261,300	32,790,300	38,053,600
July 3,	119,812,000	7,458,000	186,803,000	5,820,000	33,830,200	39,650,200
Aug. 7,	120,892,000	7,784,000	107,454,000	5,553,000	35,145,000	40,698,000
Aug. 14,	123,374,000	7,588,080	105,034,000	12,886,000	31,150,000	44,636,000
Aug. 21,	126,368,000	7,480,000	104,609,000	17,739,000	28,349,000	46,089,000
Aug. 28,	126,024,000	7,466,000	133,928,000	13,418,000	27,817,000	41,235,000
Sept. 4,	125,885,000	7,748,000	103,347,000	13,077,000	28,842,000	41,125,000
Sept. 11,	125,013,000	7,830,000	102,897,000	12,626,000	22,059,000	40,626,000
Sept. 18,	124,649,000	7,313,000	104,738,000	12,612,000	22,808,000	41,420,000

Compared with the first week in October of last year, the results are as follows:

Oct. 1857,	105,935,000	7,916,000	67,978,000	7,748,000	11,400,000	19,148,000
Sept. 1858,	124,649,000	7,313,000	104,733,000	12,612,000	22,808,000	41,240,000

If to this we add other subjects of taxation, we shall probably find an aggregate of five hundred millions of dollars, which if taxed as in the Northern States, would produce an annual State revenue of \$2,500,000, ample to liquidate its public debt.

Nearly all the railroad shares at the Board are lower this week than before; nothing will restore them to confidence among capitalists but a radical reform in their management—and a more remunerative tariff of charges on passengers and freights. We note sales of Little Miami Shares at 77 to 77½; Macon and Western, 75 a 76; Pennsylvania, 87 a 88; Cleveland, Columbus and Cincinnati, 90½ a 91. A compromise has been effected between the leading roads from New York, Philadelphia and Baltimore, to the West, whereby the ruinous competition of the past three months will be obviated; but we fear the rates agreed upon will not be sufficient to secure regular

dividends. The interior commerce of the country is benefited by the arrangement, but the interests of stockholders are sacrificed. We annex the current rates for the leading shares since the end of July last:

	July 30th.	Aug. 6th.	13th.	20th.	27th.	Sept. 3d.	10th.	17th.
N. Y. Central R. R. shares,.....	85½	80½	77	77½	79½	79½	79½	78
N. Y. & Erie R. R. shares,.....	18½	17½	16½	17½	17½	18	18	17½
Harlem R. R. shares,.....	11½	11½	10	10½	10½	10½	10½	10½
Reading R. R. shares,.....	49	48½	47	47½	49½	49	49	46½
Hudson R. R. shares,.....	28½	28½	27½	27	28½	28½	28	27
Michigan Central R. R. shares,.	62	59½	59	57½	52½	58	58½	54
Michigan Southern R. R. shares,	24	23	22½	22½	22½	23½	26½	23½
Panama R. R. shares,.....	111	114½	112½	113½	114	114½	113½	113
Baltimore & Ohio R. R. shares,	62	60½	60½	57½	57½	59½	57½	57
Illinois Central R. R. shares,....	74	74	74	76½	77	76	75	75½
Cleveland and Toledo R. R....	37½	35½	34½	34½	35½	34½	34½	32½
Chicago and Rock Island R. R.	77½	75½	74½	72½	73	72½	72½	68½
Milwaukee and Miss. R. R.....	17	16	15½	15½	19½	16½	16½	16
Galena & Chicago R. R. shares,	87	85½	83½	83½	83½	82½	83	83
La Crosse & Milwaukee R. R....	4½	4	4½	3½	4	3½	3	2½

The increasing business with California has given an impetus to the market values of Panama Railroad Shares and Pacific Mail Steam Ship shares. La Crosse and Milwaukee shares have dwindled down to such low figures that they may as well be omitted from the railroad list.

In Railroad Bonds the transactions show no recovery of value. Hudson River first mortgages are quoted 103½ a 101; second, 90½ a 91; third, 69½ a 70; New York Central Sevens, 101 a 101½; Michigan Central Eight per Cents., 90½ a 97; Harlem first mortgages, 84½ a 85; Baltimore and Ohio R. R. Sixes, 84 a 85; Chicago and Rock Island Seven per Cents., 95½ a 97; Harlem second mortgages sales at 74½. We annex the closing prices of Miscellaneous Securities for the past eight weeks:

	July 30th.	Aug. 6th.	13th.	20th.	27th.	Sept. 3d.	10th.	17th.
Erie Railroad 7s, 1859.....	92	90	—	89	89½	89½	89	86½
Erie Sinking Fund bonds, '75..	32	32½	30	31	31	30½	31	32½
Erie Convertibles, 1871.....	31	30½	31	30½	30½	30½	30	30
Hudson River R. R., 1st mort...	103	100	101	100½	101	102	101	100½
Panama Railroad bonds.....	107	107	110	110	113	112	114	112
Illinois Central 7s.....	88	85½	88	90½	91½	91½	90½	90½
New York Central 6s.....	88½	89	89½	89½	89½	90	89½	90
Canton Co. shares.....	19	—	—	19½	20	20	20	19½
Pennsylvania Coal Co.,.....	79	79	76	74½	75	75½	75	74½
Cumberland Coal Co.....	—	—	—	17½	18	—	—	17
Del. and Hudson Canal Co.....	99½	99½	99	98½	98½	98½	98½	98½
La Crosse Land Grant bonds..	22½	20	22½	23½	25	23½	24½	24
Pacific Mail Steamship Co.....	90½	80½	88½	84½	88½	89	91½	94½

By advices via Halifax, we learn that the London money market shows a greater abundance of capital for investment. Consols had reached 97, a higher price than for some weeks past. The sales of cotton for the week had reached 67,000 bales, an unusually large quantity for the Liverpool market.

DEATHS.

At ANDALUSIA, near Philadelphia, on Wednesday, September 8th, GEORGE NEWBOLD, Esq., aged seventy-eight years, President of the Bank of America, New York.

At PROVIDENCE, R. I., August 25th, HENRY J. BURROUGHS, Esq., aged forty-two years, President of the Butchers and Drovers' Bank.

At LEXINGTON, KY., Friday, August 20th, MATTHEW T. SCOTT, Esq., in the seventy-third year of his age, President of the Northern Bank of Kentucky. Mr. Scott was a native of Pennsylvania, and removed to Lexington, Kentucky, in the year 1810, where he resided until his death. He had been connected with one or more of the banking institutions of that State over fifty years.

At SPRINGFIELD, Mass., Thursday, September 2d, EDWARD A. MORRIS, Esq., aged fifty-seven years, President of the Springfield Bank.

At GALVESTON, TEXAS, Monday, September 13th, Colonel SAMUEL WILLIAMS, President of the Commercial and Agricultural Bank at Galveston, in the 65th year of his age. He was one of the leading spirits of the Texas Revolution.

THE
BANKERS' MAGAZINE,
AND
Statistical Register.

VOL. VIII. NEW SERIES. NOVEMBER, 1858.

No. 5.

BANK LIBRARIES.

"Every well managed Banking Institution has a Library, small or large, of standard works on Banking, Bills, Notes, and upon collateral topics, for the use of the president, cashier, officers, and directors. Such works should be accessible by every Bank officer, and are especially useful to the Bank clerk who aims at advancement in his profession."

PROFESSIONAL books of a right order are necessary to every banking institution—to every bank officer. To the cashier they are especially important, in keeping him advised of the changes in the business—of the new laws passed in his own State and in other States—of recent decisions affecting his daily operations—of the principles of banking adopted and in force elsewhere.

The cashier, after assuming his official position, is assisted by numerous clerks, as book-keepers, tellers, discount and corresponding clerks, &c. These are usually young men who accept positions in banks with a view to promotion. The duties of these assistants do not cease when the bank doors are closed for the day. The clerk who feels a laudable ambition to succeed in his profession, will make himself familiar with banking law, banking principles, and with those standard commercial works which have a bearing upon banking details.

We consider it a part of the duty of the bank directors to furnish, for the use of its officers, such standard works as will be useful to their clerks. The cashier and president bear towards their juniors, relations almost as important as those of parent to child; and if the improvement and success of these young officers are duly considered, and their fitness for office duly appreciated, one of the first means of promoting their success (as men and as officers) will be to provide proper books for their use after bank hours.

Occasionally a defalcation on the part of a bank officer will transpire; or his habits will be found unsuited to his employment. In such cases it will almost invariably be found that little or no attention has been given by the head officers to the habits of their clerks, and to the employment of the latter after bank hours. A suggestion made by a bank president or director to a junior officer, as to his professional reading and improvement, will, at times, be the means of inducing a fondness for study.

No bank officer should consider himself fully competent for his position unless he is familiar, in the first place, with the banking history of his own State; secondly, with that of other States and countries; and, thirdly, well posted on the statutes, decisions, and common law as to bills of exchange, (foreign and domestic,) promissory notes, bankers' drafts, collection paper, endorsement, damage on bills, interest, usury, &c. He should be familiar with the law of contracts, the law of letters of credit, &c.

We learn that one of the leading banks of the city of New York has in contemplation the purchase of a library, to the extent of one hundred and fifty or two hundred volumes, for the use of the institution, its officers, directors, and clerks. The example could be advantageously followed by others. It may be well urged as a measure of economy; the money would be well spent, and would produce beneficial results not to be measured or estimated by dollars and cents. We cannot too strongly urge this upon the consideration of the managers of banks generally, as a measure calculated to promote the permanent interests of the junior officers under their charge.

We may state with some confidence, that the books most needed for the reading of bankers' and merchants' clerks, are not generally found in the public libraries even of large cities; and if they were, they are not readily available for use. The writings of Chancellor Kent, Justice Story, Justice Parsons, and other eminent jurists: of Hamilton, Webster, Wheaton, Gilbert, Ricardo, and others, should be near the cashier's desk in every banking institution, so that in case a disputed point arises, the best authorities may be consulted without delay.

There are, likewise, serial works which should find a place in a bank library: the cost trifling, from year to year, but which will prove valuable in future years, for reference, viz., *The American Almanac* (1829-1858); *the British Almanac and Companion* (1828-1858); *the Encyclopædia Britannica*; *Appleton's new American Cyclopædia*; *Benton's Debates in Congress*; *the Merchants' Magazine*; *DeBow's Commercial Review*; *the American Merchant*; *Annual Treasury Reports and Finance Reports of the United States*; *Annual Reports of the Banking Department and Comptroller*, and other documents of the State of New York, issued at Albany. *The Bankers' Magazine* should be kept, substantially bound, in every banking-room, for reference. Some banking institutions, we are glad to say, take two copies—one for the cashier's desk, and another for the clerks. *The Revised Statutes of the State*; the annual volume of the laws; the *City Directory*, &c., are also essentially necessary to every private banker as well as to every incorporated institution.

Five hundred dollars expended in books adapted to the use of bank officers, would be money well spent, provided the officers were urged to use them. We take occasion to furnish a list of the leading works on banking, currency, &c., with the prices as far as known.

THE BANKERS' LIBRARY.

A Catalogue of Books on Banking, Currency and kindred subjects, with the prices affixed. Many of these works, although common when published, have become exceedingly scarce.

ADAMS, JOHN Q. Report on the Bank of the United States, May 1842. (American Quarterly Review), vol. xi. p. 57. 1 vol. 8vo. \$3.

This Review contains many valuable articles on currency, &c., from the pens of Gallatin and others. The whole set is complete, (1827 to 1837.) Bound in 22 vols. 8vo. \$50.

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ARBUTHNOT, J. Tables of Ancient Coins, Weights and Measures. (A valuable old English work.) London, 1754. 1 vol. 4to. \$3.

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BELL, G. M. Philosophy of Joint Stock Banking. London, 1848. 1 vol. 8vo. \$1 50.

See Ricardo. Reply to above.

BELL, G. M. The Country Banks and the Currency; an Examination of the Evidence on Banks of Issue before House of Commons, given by Cobden, Horsley Palmer, &c., &c. London. 1 vol. 8vo. \$1 50.

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Matthew Carey is the Nestor of our political economists; he wrote many tracts on the United States Bank question.

CAREY, HENRY C. *Principles of Political Economy.* Phila. 1837, '38. 2 vols. 8vo. \$6 50.

Deemed an important acquisition to our resources on the topics treated, especially the laws of wealth.

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Continental Bank,	1,970,200	119,219	1,038,216	1,757,649	8,697,407	50,718	250,397	487,075	147,100	5,497,196
Corn Exchange Bank,	1,000,000	74,361	208,325	1,003,123	1,845,048	40,401	111,564	209,741	209,867	2,588,461
East River Bank,	200,525	4,998	....	76,896	188,750	12,039	80,800	8,797	83,266	311,065
Fulton Bank,	600,000	248,261	153,710	1,234,025	1,670,087	64,713	64,665	188,534	287,317	2,372,386
Greenwich Bank,	200,000	29,312	8,174	689,832	627,147	86,119	15,498	22,616	169,922	917,617
Grocers' Bank,	240,000	82,409	....	110,106	248,801	29,129	80,000	900	50,000	407,653
Hanover Bank,	1,000,000	73,693	128,168	977,967	1,990,235	65,518	91,880	161,608	188,910	2,269,194
Importers and Traders' Bank,	1,500,000	152,521	196,790	1,260,484	2,485,475	82,895	....	204,844	244,675	3,297,191
Irrving Bank,	500,000	37,761	21,679	895,505	867,116	44,299	57,548	105,023	185,700	1,506,865
Marine Bank,	659,100	52,571	88,244	607,556	899,868	88,132	75,000	124,878	118,586	1,463,609
Market Bank,	1,000,000	82,819	116,701	1,219,807	1,667,185	102,605	75,000	200,888	904,552	2,592,557
Mechanics' Bank,	2,000,000	862,965	571,525	8,042,573	8,760,190	144,298	800,000	680,291	985,658	6,221,823
Mechanics' Banking Association, Mechanics and Traders' Bank,	816,000	8,885	2	204,864	215,088	81,573	....	25,459	111,527	542,613
Mercantile Bank,	400,000	27,993	2,524	655,401	757,303	86,357	57,646	60,449	51,706	1,195,412
Mercants Bank,	1,000,000	164,594	898,804	1,240,200	2,515,854	14,434	....	222,816	63,000	8,279,159
Merchants' Exchange Bank,	2,507,393	82,935	2,421,127	8,392,263	5,560,585	198,976	185,000	658,796	10,000	8,774,081
Merchants' Exchange Bank,	1,235,000	180,698	317,603	1,145,906	2,011,178	137,394	62,798	210,343	147,900	2,951,659
Metropolitan Bank,	4,000,000	566,930	2,701,965	2,574,674	6,779,376	951,020	285,693	681,799	800,000	10,355,329
Nassau Bank,	979,200	49,839	278,791	781,751	1,414,808	62,350	178,182	88,686	151,505	2,144,026
National Bank,	1,500,000	100,843	84,916	1,184,791	2,297,186	11,639	85,000	134,385	76,000	2,946,044
New York County Bank,	200,000	18,871	23	254,751	891,784	42,990	....	90	121,211	565,920
New York Exchange Bank,	130,000	22,233	21,968	213,566	253,751	26,694	7,400	7,400	143,600	544,535
Ocean Bank,	1,000,000	64,205	548,515	961,027	1,631,953	108,244	76,456	145,824	185,957	2,678,694
Oriental Bank,	300,000	29,235	....	431,006	582,500	10,941	18,420	20,785	126,661	833,234
Pacific Bank,	422,700	64,645	2,264	926,062	1,097,444	1,440	6,000	68,718	161,752	1,546,275
Park Bank,	2,000,000	173,335	1,907,914	1,630,250	4,099,296	140,216	185,296	859,665	229,500	5,921,410
People's Bank,	412,500	41,071	7,977	488,670	600,017	12,518	81,640	27,879	122,285	1,052,005
Phoenix Bank,	1,500,000	237,962	982,442	1,505,828	8,312,492	181,539	175,000	404,592	119,345	4,977,917
Saint Nicholas Bank,	747,000	46,801	....	729,346	1,083,725	11,418	104,258	71,890	130,746	1,643,448
Shoe and Leather Bank,	1,500,000	177,598	172,919	1,947,170	2,861,964	42,764	100,553	200,927	166,524	8,887,192
Traders' Bank,	800,000	85,200	18,627	683,116	1,322,223	19,010	24,000	72,265	821,620	2,080,035
Union Bank,	1,500,000	89,139	723,855	2,206,326	2,722,439	66,385	209,845	512,096	223,273	4,654,383
TOTALS,	\$67,041,182	\$8,091,406	\$23,975,573	\$74,029,833	\$118,299,859	\$5,388,023	\$5,915,868	\$18,689,753	\$8,922,278	\$150,726,331

FLUCTUATIONS OF BANK SHARES.

The following is a Summary of the Par Value of Shares, Dividends, Number of Shares Sold in the month of September, with the closing Prices at the end of the month. Compiled by Messrs. HUNTINGTON & POILLON, No. 48 Exchange Place, New York.

Names.	Par Val.	Dividends.	No. Shares Sold.	Prices.	Closing Quotations.	
					Offered.	Asked.
American Exchange,.....	100	May & November,	793	107 a 110	109½	110
Atlantic,.....	100	June & December,	25	80 a ..	80	81
Artisans'	100	March & Sept.,	20	81½ a ..	80	82½
Bank of America,.....	100	Jan. & July,	64	111 a 112	111½	112
Bank of Commerce,.....	100	January & July,	208	100 a 101	102	102½
Bank of Commonwealth, ..	100	do.	41	96 a ..	95½	97½
Bank of North America,...	100	January & July,	18	107½ a 108½	109	110
Bank of Republic,.....	100	Feb. & August,	21	120 a ..	119	120
Bank of State of N. York,...	100	May & November,	54	102 a 102½	103	103½
Broadway,	25	January & July,	180	125 a 126	126	128
Butchers and Drovers', ...	25	do.	*	.. a ..	113	115
Bull's Head,.....	25	April & October,	*	.. a ..	..	..
City,	100	May & November,	*	.. a ..	120	125
Chemical,	100	Jan., April, July, Oct.	*	.. a ..	..	..
Chatham,	25	May & November,	140	65 a ..	64	66
Citizens'	25	Feb. & August,	*	.. a ..	99½	100
Corn Exchange,.....	100	do.	20	100 a ..	98½	100½
Continental,.....	100	January & July,	222	97 a 98	98	98½
East River,.....	25	do.	*	.. a ..	90	100
Fulton,.....	30	May & November,	10	147½ a ..	145	150
Greenwich,.....	25	do.	*	.. a ..	..	..
Grocers',	50	January & July,	*	.. a ..	..	..
Hanover,.....	100	do.	46	90 a 90½	89	90
Irving,.....	50	do.	*	.. a ..	99	100
Importers and Traders', ...	100	do.	25	106½ a ..	108	108½
Leather Manufacturers',....	50	Feb. & August,	*	.. a ..	138	150
Manhattan Company,.....	50	do.	*	.. a ..	133	..
Merchants',.....	59	June & December,	142	111½ a 112	111½	112
Mechanics',.....	25	January & July,	*	.. a ..	115	117
Merchants' Exchange,....	50	do.	92	100½ a 101	102	104
Mechanics and Traders',...	25	May & November,	*	.. a ..	103	..
Mercantile,	100	January & July,	*	.. a ..	119	120
Metropolitan,	100	do.	229	107½ a 109	109½	110
Market,.....	100	do.	*	.. a ..	104½	106
Marine,.....	50	Feb. & August,	*	.. a ..	89	90
Mechanics' Banking Asso.,	12 50	May & November,	*	.. a ..	85	97
New York,.....	100	January & July,	122	109 a 109½	109	109½
National,.....	50	April & October,	*	.. a ..	110½	112
Nassau,	100	January & July,	53	97 a 96	96	100
New York Dry Dock,.....	30	do.	*	.. a ..	..	..
New York County,.....	100	do.	*	.. a ..	101	106
New York Exchange,.....	100	May & November,	*	.. a ..	..	..
North River,.....	100	.....	*	.. a ..	..	..
Ocean,	50	Feb. & August,	43	93 a 93½	93	93½
Oriental,.....	25	.....	*	.. a ..	..	..
Phoenix,.....	20	January & July,	22	108 a ..	110	112
Pacific,.....	50	June & December,	*	.. a ..	110	120
People's,.....	25	January & July,	100	100 a ..	100	101
Park,	100	do.	205	102½ a 103½	103½	103½
Seventh Ward,.....	50	January & July,	*	.. a ..	137½	150
St. Nicholas,.....	100	Feb. & August,	*	.. a ..	92	95
Shoe and Leather,.....	100	April & October,	61	111 a ..	111	113
Tradersmen's,.....	40	January & July,	*	.. a ..	110	112
Union,	50	May & November,	148	112 a 112½	112	114

* No Sales during the month.

ON THE RATES OF INTEREST.

On the Rates of Interest for the use of Money in Ancient and Modern Times. By WILLIAM BARWICK HODGE, Esq., Vice President of the Institute of Actuaries.—(Continued from p. 294, October No.)

PART SECOND.

Read before the Institute of Actuaries, 26th April, 1858, and ordered by the Council to be printed.

ON a former occasion I had the honor to lay before the Institute a historical sketch of this subject, from the earliest period of authentic records down to that of the legal establishment of the practice of taking interest, in the reign of Elizabeth. [*Bankers' Mag.*, N. Y. pp. 271–294.] The facts then adduced showed that very high nominal rates of interest were obtained in the ancient world, and during the middle ages; but such rates are, by no means, to be taken as measures of the profits made upon loans, which must always have been seriously diminished, and often entirely swallowed up, by the exactions and spoliations to which the lender was exposed, and the difficulties he experienced in enforcing his claims, from defective laws, and the prejudices entertained against him by the community.

These prejudices, although varying in degree, have been so constantly manifested in every age, that philosophers have attempted to trace them up to inherent principles in human nature [Taylor: *Notes from Life*, p. 26. Bentham's Works, 1843; iii. 17. McCulloch: *Ency. Brit.*, 7th edit.; art., "Interest"], and they existed during the periods referred to with peculiar intensity.

According to Demosthenes, a money-lender had very little chance of obtaining justice in the Athenian courts of law [Smith: *Dict. of Antiq.*; art., "Fenus"]; and although the same may not have been the case with the ordinary tribunals at Rome, it was nearly so in all questions decided by the popular assemblies.

This state of things was undoubtedly owing, in a considerable degree, to the severity of the laws against debtors. At Athens, before the time of Solon, "an insolvent debtor might be adjudged the slave of his creditor, and not only himself, but his unmarried daughters and sisters also, whom the law gave him the power of selling." [Grote: *Hist. Greece*, iii. 125.]

In the earlier years of Rome, a similar system was in force. A debtor unable to meet his engagements had no resource but to enter into an arrangement, called a *nexum*, under which, if the debt were not discharged by a certain day, he passed, with all his property, into the possession of his creditor, his wife and children going with him into slavery. [Arnold: *Hist. Rome*, i. 136.] The patricians of Rome were uniformly money-lenders; and the term burghers, applied to them by Niebuhr, is much more descriptive of their real character than their ordinary designation, in the sense attached to it by the moderns. "Every patrician's house," says Dr. Arnold, "was

become a private jail, and a jail in which the prisoners were kept to hard labor for the jailer's benefit, and were, at his caprice, loaded with chains and subjected to the lash. [*Ibid.*, ii. 21.] A debtor refusing to enter into a *nexum*, "might, after suffering a cruel imprisonment, be sold as a slave into a foreign land. If there were several creditors, they might hew his body in pieces:" nor could he avail himself of the plea that, on the stage, defeats the malice of Shylock—"for whether a creditor cut off a greater or a smaller piece than in proportion to his debt, he incurred no penalty." [*Ibid.*, i. 137.]

The idea of such a law seems so incredible, that attempts have been made to explain it as only intending a division of the debtor's property among his creditors; but there is no doubt that it existed in the form described, as one of the laws of the twelve tables, which were ratified by the votes of the people. [*Ibid.*, i. 139.] The enforcement of it, in some cases, has been asserted, less positively, indeed; and although that may appear to us too horrible for belief, it would probably be viewed with different eyes by a people so unequalled, among civilized nations, for brutality as the Romans. The reaction, in favor of the debtor, likely to be produced in the public mind by such severities, may readily be conceived by those familiar with the proceedings of the English courts of law, which, although acting under the mild principles of modern jurisprudence, seem often, in their decisions, to assume that the borrower is necessarily the victim of the lender, and to adopt as a serious truth the doctrine sarcastically laid down by Bentham [*Defence of Usury*, Letter x.]: "It is an oppression for a man to reclaim his own money; it is none to keep it from him." One celebrated English Judge took a very different view of the subject. "In the course of my experience," said Lord Loughborough from the bench, "I have met with many hard-hearted debtors, but very rarely with an unmerciful creditor." English lawyers have invented a peculiar defence, of singular vagueness, to the effect that "advantage had been taken of the borrower's necessities"—as if these were not the only reasons for borrowing, and as if the whole fabric of civil society were not constructed upon the principle, that unless a man can find out some mode of taking advantage of his neighbor's necessities, he has very little chance of providing for his own. What, but necessity, and very hard necessity too, ever induced any one to avail himself of the services of practitioners in courts of law?

Under the circumstances described, it is, perhaps, not very surprising that propositions for the entire abolition of debts should have often occurred both among the Greeks and Romans. Many of these we know to have been successful. [Arnold, i. 147; ii. 128. Suetonius: *Life of Julius Caesar*. Plutarch: *Life of Solon*. *Ibid.*: *Life of Agis*.] It can hardly be doubted that others, of which we have no records, were equally so; and the frequency, as well as the danger, of their recurrence, is betrayed by the precaution of the Athenians, who inserted in the oath taken annually by the Dikasts, or members of the judicial body, a solemn pledge to repudiate any proposal for the depreciation of the money standard, for a redivision of the lands, or for an abrogation of debts. [Grote, iii. 135.]

The direct injustice and spoliation caused by such wholesale bankruptcies, although evils of enormous magnitude, were but a small part of the evils they produced. The disorganization and distrust introduced into

the social system—the uncertainty, which made every pecuniary contract a matter of speculation and gambling, until finally settled—the recklessness induced in many, who would be encouraged to incur debts in the hope of such a mode of relief, and the misery that ensued when, as would often be the case, that hope was disappointed—all these circumstances combined must have had a most deteriorating influence upon the happiness and virtue, as well as upon the productive powers, of society. Among the many proofs that may be cited of the superiority of modern over ancient civilization, perhaps there is nothing more conclusive than the fact, that the possibility of such propositions would never be so much as dreamt of in our own time.

Even the lawless violence of the middle ages produced no such schemes of general confiscation, although the spoliations already described [*Bankers' Mag.*, Octo. 1855] as having been inflicted upon the Jews in England, had their parallel in every portion of the continent where that people had been allowed to establish itself. "The policy of the kings of France," says Mr. Hallam, "was to employ the Jews to suck up their subjects' money, which they might afterwards express with less odium than direct taxation would incur." [*History of Europe during the Middle Ages*, i. 157.] "Philip Augustus released all Christians in his dominions from their debts to the Jews, reserving a fifth part to himself." The pious St. Louis, although he took no direct share in such plunder, appears to have had no objection to deriving a sort of reversionary advantage from it, as we find that, for the salvation of his own soul and the souls of his ancestors, he released to all Christians a third of what was owing by them to Jews. [*History of Europe during the Middle Ages*, ii. 401.]

About half a century after the expulsion of this people from England by Edward I., of which an account has been given [*Bankers' Mag.*, p. 290,] "the Jews throughout the world," according to Froissart [*Chron. Lond.*, 1839, i. 200], "were arrested, burnt, and their fortunes seized by those lords under whose jurisdiction they had lived,"—the only exception, a remarkable one, being in the territories dependent upon the Pope.

These persecutions were in no wise directed to the conversion of unbelievers from an erroneous faith; for, in France, to prevent their adopting such a mode of escaping extortion, a law was passed, by which any Jew who became a Christian forfeited all his goods to the king or to his superior lord. [Hume: *Hist. Eng.*, chap. xii.] Of all the extraordinary modes adopted by sovereigns for extracting money from the Jews, the most extraordinary is one ascribed to William Rufus, by Holinsbed, who relates [*Chron. London*, 1807, ii. 45], that certain Jews of Rouen having embraced Christianity, others of the same nation, resident in that city, offered to give William a sum of money if he would induce the converts to return to their original faith. The king undertook the task, and, calling the men before him, so terrified them by his threats, as to cause divers of them

"To renounce their baptism—
All seals and symbols of redeemed sin."

Othello: act ii. sc. 3.

and again to adopt their former creed.

Another Jew, hearing of William's success, offered him sixty pieces of silver to bring about the same result with the Jew's son who had been converted

by a dream. William took the money, but failed in the attempt, although his majesty became so excited by the argument, that he called the young man "a dunghill kuave," and threatened "to have his eyes torn out." Thereupon the father demanded back his money; but the king refused to return it, alleging that he had done his part in persuading the young man as much as he might. However, the Jew becoming clamorous, the king, "to stop his mouth," gave him back one-half the sum, retaining the other half for himself. The coincidence of the thirty pieces of silver is certainly a suspicious circumstance when combined with the hatred towards William felt by the clergy, the only chroniclers of the time; but, even if invented, the story may still be evidence of the manners of the age, and tends to confirm the opinion already given, that the strong-handed pillage and oppression of the Jews did not commence until about the close of the twelfth century.

Even so late as A.D. 1698 (1 William and Mary), it was proposed in the English House of Commons to lay a special tax of £100,000 upon the Jews settled in England; and the idea, at first favorably received, was only abandoned in consequence of their threats to leave the kingdom rather than submit to the exaction. [Macaulay, *Hist. Eng.*, iii. 497.]

Another of the modes of plundering creditors, nearly as effectual, and more general than those that have been described, was by the debasement of the coinage. We have already seen that Solon resorted to this expedient in his celebrated settlement of the affairs of the Athenians [*Bankers' Mag.*, p. 274], to whose honor it should, however, be remembered, that thenceforward they vigilantly guarded the purity of their silver coinage, which was their principal currency [Grote, vol. iii., chap. ix.], although it appears that a debased coinage of gold was in circulation, for a short time, at Athens. [Bœckh: *Pub. Eco. of Athens*; Lond. 1842, p. 592.] In most of the other Grecian states the practice of depreciation prevailed; and it is recorded of Dionysius the Elder, that, having borrowed large sums in bullion from the merchants of Syracuse, he repaid them in tin, which he caused to be coined and circulated at four times its intrinsic value. [*Ibid.*, p. 591.]

"At Rome," says Gibbon, "the same denomination of money was reduced, in three centuries, from a pound to the weight of half an ounce." [*Hist. Dec. and Fall*, chap. xlv.] The *as*, originally weighing twelve ounces of copper, contained in the first Punic war (A.U.C. 490, B.C. 264) only two, and in the second (A.U.C. 535, B.C. 219) was diminished to one—a reduction expressly made to defraud the creditors of the republic. [*Esp. des Lois*, liv. 22, chap. xi.] This fact is a sufficient answer to Niebuhr, and his disciple Doctor Arnold, who have endeavored to show that the diminution in the weight merely kept pace with the increase in the relative value of the metal, and did not, therefore, cause any injustice. [Arnold, ii. 74. Niebuhr: *Hist. Rome*, i. 461.] Both these learned writers, however, fell into the common error of looking upon money value as an abstract fixed quantity; and they both seem to have been able to comprehend the principle, that if a man be entitled to receive, at a future day, a given weight of copper, his right ought to be no more affected by any interim variation in its value, because the metal happens to be coined into money, than if his claim were for a given quantity of corn or of any other commodity.

Under the Emperors the silver coinage degenerated more rapidly than

the copper money during the republic; and in the reign of Gallienus (A.D. 260) the currency consisted merely of copper pieces plated with silver. [*Esp. des Lois*, liv. 22, chap. xiii.] It is needless to point out how often the same devices have been resorted to by modern governments either directly, by debasement of the coinage; or indirectly, by the issue of inconvertible paper-money. The robust English shilling of the reign of Edward III., which contained nearly 250 grains of pure silver, had dwindled, by the time of Elizabeth, to a coin containing less than 86 grains, at which it continued as long as silver remained the standard of value. The present French franc approximates closely in weight and value to the livre of the old monarchy, which was the attenuated ghost of the *bonâ fide* pound of silver that formed the basis of circulation from the time of Charlemagne to that of Philip I. (A.D. 800 to 1100.)

M. Sismondi has observed that, while the monetary system of Europe was abandoned to the depredations of sovereigns who continually varied the title and weight of coins, the republic of Florence maintained, during the whole period of its existence, the gold florin, that measured all other values in the state, at precisely the same degrees of weight and fineness. [*Cab. Cyc.: Hist. Ital. Rep.*, p. 85.] That Athens and Florence, republics whose histories exhibit so many other striking points of resemblance, should each have held out, the one to the ancient, the other to the modern world, a solitary example of integrity in this respect, is certainly a remarkable coincidence, but one which may, perhaps, be explained by the fact, that the leading members of both communities were merchants, whose capital periodically reverted to them in the shape of coined money, which it was, therefore, their interest to maintain at its full standard value.

In reference to the monetary systems of the ancients, it may be worthy of remark, that they appear to have been fully acquainted with the principle upon which paper-money is founded, although they never made use of it in that form—perhaps because the only paper they were acquainted with, that made from the papyrus, was too fragile to bear passing frequently from hand to hand. Timotheus, the son of Conon, to defray the expenses of his expedition to Corcyra, issued copper tokens of a nominal value, at which he undertook ultimately to redeem them. [Bœckh, p. 294.] The Byzantines issued thin plates of iron bearing a stamp indicating the value at which they were to pass current [*Ib.*], and the Carthaginians circulated leather money [*Ib.*], the use of which has been attributed to the Greeks and Romans, but erroneously, according to Bœckh. [*Ibid.* p. 596.]

As no specimens of the currencies above mentioned have come down to us, we are unable to determine their precise nature; but it is clear, that to have maintained them in circulation as representatives of value, they must have been made convertible, either immediately or prospectively, into the precious metals. Very curious and interesting light has been thrown upon this subject by the recent discoveries of an English traveller, which have not only shown that a complete system of artificial currency was in use among the Assyrians, but have enabled the inhabitants of London, by a visit to the British Museum, to inspect, in actual corporeal existence, bank notes issued by Nebuchadnezzar himself.

Mr. Loftus, the traveller alluded to, while engaged in superintending excavations in a city of Mesopotamia called Warka, the ancient Erech, supposed to be the Ur of the Chaldees, found a large collection of

tablets of baked clay, carefully arranged, each of which was covered with minute characters. These he subsequently submitted to Sir Henry Rawlinson, who, upon deciphering them, pronounced them to be of two kinds: one resembling our commercial notes of hand—"the tenor of the legends being apparently an acknowledgment of liability by private parties for certain amounts of gold and silver. The more formal documents, however, seemed to be *notes issued by the Government* for the convenience of circulation, representing a certain value, which was always expressed in measures of weight, of gold or silver, and redeemable on presentation at the royal treasury." The date of issue, specifying the day, month, and year of the king's reign, is given in each document; and Sir Henry succeeded in finding the names of Nabopolassar, Nabokodrossor, Nabonidus, Cyrus, and Cambyses (ranging from 626 to 522 B.C.). [*Travels in Chaldaea*; Lond., Nisbet, 1857; p. 221.]

Mr. Loftus has penetrated into the Lombard or Threadneedle street of the City, and found the stores of one of its bankers exactly in the state they had been left twenty-three centuries before.

The Chinese too, although they have no circulation of the kind at present, made use of paper-money some centuries before it was adopted in Europe. Its introduction among them, as in our own country, arose from the financial embarrassments consequent upon a revolution, and an alteration in the succession to the crown. Hong-you, the first Emperor of the Ming dynasty, who reigned about the close of the fourteenth century, endeavored to obviate a great scarcity of money that occurred in his time, by issuing government notes. A fac simile of one is given by Du Halde [*Description de la Chine*; La Haye, 1736; ii. 201], together with translations of the inscriptions thereon. It bears the imperial titles and seal, with the legend *y Konan*, signifying that it represents a thousand deniers, equivalent to a tael, or one ounce of silver. There is, likewise, a denunciation of the penalty of death against forgers, and the offer of a reward to those who may apprehend them; but there is not upon the face of the note any provision for the conversion of it into bullion. This document must have been more than 300 years in existence when copied by Du Halde; and, as it was apparently uninjured, could not have been in circulation for the whole, or even any large portion of that time. Its preservation, with that of many others of the same kind, was due to a curious superstition among the Chinese, who believed that a house might be secured from every kind of misfortune by having one of these notes suspended from the main beam of the roof [*Description de la Chine*, ii. 201]—a notion that must have been very profitable to the Government if it became popular when a large amount was in circulation.*

Until the termination of the sixteenth century, the prejudices of the moderns against money-lenders, envenomed as they were by the bitterness of religious fanaticism, were infinitely stronger than those of the ancients. The early Christian Fathers adopted, as universal injunctions, the

* According to a story current in Ireland, the insurgents, during the last great rebellion in that country, indulged their vindictive feelings against a family peculiarly obnoxious to them, by burning, whenever they fell into their hands, the notes of a bank in which the names of some members of the family appeared as the principal partners.

texts of Scripture already quoted, forbidding the Jews to practise usury except with strangers; and this interpretation was strenuously adhered to, not only by the whole Romish Church, but even by many Protestants, long after the right of private judgment had been vindicated by the Reformation. In "*A Small Treatise against Usury*," by Sir Thomas Culpeper, reprinted by Sir Josiah Child (A.D. 1693), it is boasted, that before the 37th Henry VIII. "usurers were in the case of excommunicate persons; they could make no wills, nor were allowed Christian burial."

So strong was the feeling of the Papal authorities on the subject, that the establishment of *Monti di Pietà* in Italy was vehemently resisted and long delayed, on the ground that they were illegal and usurious, although it was proposed that small loans should be issued gratuitously, while for larger sums no higher rate should be charged than might be necessary to meet the expenses of the establishment. [*Statistical Journal*, iv. 348.] The first *Monte di Pietà* was established A.D. 1491, at Padua, by Bernardino di Feltri, a monk of that city. In Italy, the offerings of the faithful deposited in the churches for the benefit of the poor were called *monti* (heaps, or collections), and de Feltri named the subscriptions he obtained for the object he had in view "*Il Monte di Pietà*,"—the compassionate collection. From this the French adopted the expression, *Mont de Piété*, the literal meaning of which is very different.

The principles alluded to continued to be insisted upon, although it was repeatedly pointed out that the enactments of the Jewish lawgivers as to usury were entirely of a local and temporary character, and, even if they had been more general, that the expression addressed to the unprofitable servant in the parable, "Wherefore then gavest thou not my money into the bank, that at my coming I might have received mine own with usury?" [*St. Luke* xix. 23] would be conclusive against them, as it is impossible the man could have been reproached for omitting to do an act in its nature criminal. It is needless to go into a refutation of doctrines so unanimously condemned by the opinions and practice of mankind—doctrines not really founded upon any scriptural authority, but upon a dogma attributed to Aristotle: "That money is naturally barren, and to make it breed money is preposterous, and a perversion of the end of its institution, which was only to serve the purposes of exchange and not of increase." [*Blackstone's Commentaries*, ii. 453.] "This passage," says Blackstone, "is suspected to be spurious."

Certainly, nothing but the reputation of its supposed author could have induced Bentham to take the trouble of confuting such a contemptible deceit [*Defence of Usury*, Letter x.]; and it is a memorable example of human absurdity, that texts of Scripture should have been perverted, and the lessons of the Divine founder of Christianity set at nought, to maintain the authority of a heathen philosopher in respect of an opinion, utterly ridiculous in itself, which it is doubtful that he ever entertained.

Doctor Paris, in his life of Sir Humphrey Davy, has suggested as a curious subject of inquiry, the influence in retarding the discovery of sound principles in natural philosophy of the celebrated phrase derived from the doctrines of Aristotle, that "nature abhors a vacuum." A similar inquiry might well be undertaken to determine the effect of the pseudo-Aristotelean theory, that money is naturally barren, upon economical science, the first

step in which was the recognition of the principle of allowing interest upon loans, just as the first step in natural philosophy was a correct appreciation of atmospheric phenomena.

There can be no doubt the results of such investigations would afford striking evidence of the evils caused by a blind deference to authority, by proving to what an enormous extent the opinions, real or supposed, of a single individual, had obstructed the real progress of two sciences to which the civilized portion of mankind is indebted principally, if not wholly, for the astonishing advances it has made in recent ages.

The supposed doctrine of Aristotle, although it had no influence whatever upon the practice of the Greeks, held, for centuries after the Christian era, undisputed sway over the opinions of churchmen and lawyers. Long after the passing of the 13th Elizabeth, two English Judges are reported to have declared from the bench—" *Que à cette jour use de money n'est bon consideration quia encounter ley natural, car comme Herle dit, est monstrous que argent producera argent, ed ad ettre defame par tous estatuts comme horrible damnable.*" [Kelly: *On the Usury Laws*; Lond. 1835; p. 26.]

Thomas Wilson, a Doctor of Civil Law, and a Master of the Court of Requests, published, in 1554, "*A Discourse upon Usurie, by way of Dialogue and Oracions,*" printed in black letter, in which he makes the principal interlocutor say, "Assuredlie the usurer is none other than a theefe and murtherer of his even Christian, and as well worthy to die the death as any other offender whatsoever." [*Discourse, &c.*, p. 28.] This writer contended that no rate of interest, however small, was permissible, saying, "I, for my part, would not take a pennie more than I did lend, for all the goods in the world. For I know there is no meane in this vice more than there is in murther or theft." [*Ib.* p. 35.] Again, "And yet he that proveth you an usurer maketh you ten times worse than a theefe, and as evil as a murtherer; yea, this will I saie, that it were better to winke at a hundred pickpurses in London than to suffer the wringing of twenty known usurers." [*Ib.* p. 74.]

Doctor Wilson, who is described as a man of great learning and piety, declared it as his opinion, in a debate in the House of Commons, that taking interest for money ought to be adjudged a felony [Kelly, p. 219]; and his extravagant notions were shared by many, particularly among divines, whose zeal is represented to have been stimulated by the fact that the usurer's profits paid no tithes. The state of public opinion is indicated by Shakspeare, who puts into the mouth of Antonio a boast that would sound strangely from a modern merchant—

"Shylock, albeit I neither lend nor borrow,
By taking nor by giving of excess."
Merchant of Venice, act i., sc. 8.

The picture presented in this play, which represents a man as worthy to be cuffed and spit upon for receiving interest upon his money, while a court of law coolly sits down to deliberate whether it shall authorize him to mangle a fellow-creature, in exacting a penalty for the non-payment of a debt, is, although exaggerated as to the circumstances, in strict conformity with the principles of the canon law upon the subject of loans; and, amid the incessant attempts to extract a profound meaning from every production of a

man of genius, it is surprising no one has suggested that Shakspeare was deeply versed in political economy, and endeavored to overthrow, by satire, errors apparently impregnable to the ordinary assaults of common sense. The following epitaph upon John Combe, a usurer of Stratford-on-Avon, and an intimate friend of Shakspeare, was long attributed to the poet; but erroneously, as subsequent inquiries have shown—

“Ten in a hundred lies here ingrav’d,
 ’Tis a hundred to ten his soul is not sav’d.
 If any one asks, Who lies in this tomb?
 Oh, ho! quoth the devil, ’tis my John a Combe.”

The discredit attached to the practice of money-lending naturally threw it into the hands of persons having little regard for public opinion, and whose conduct too frequently confirmed the popular prejudice against them. As a matter of course, they were frequent subjects of satire with the dramatists; who, however, did not show much discrimination in their delineations, generally representing the money-lender as a stupid gull, whose unreasonable covetousness made him the victim of the most clumsy contrivances, and would have prevented his being a money-lender long, by speedily leaving him without any money to lend. See the character delineated in the “Hog that hath lost his Pearl.”—Dodsley’s *Old Plays*, vol. x. A professional writer on the usury laws (Kelly, p. 115), has pointed out that most of the pretences of Harpagon in *L’Avare*, and of Moses in the *School for Scandal*, might have been copied from the writings of St. Basil, published in the third century. If all the works of the imagination produced since the creation of the world could be analyzed and compared, the amount of original invention contained in them would probably be found exceedingly small. Dr. Johnson said, truly, in speaking of Homer, “that nation after nation, and century after century, had been able to do little more than transpose his incidents, new name his characters, and paraphrase his sentiments.” [*Preface to Shakspeare*.] The usurer was attacked without mercy in the popular ballads of the time. In one entitled “When this old cap was new,” the following stanza occurs:—

“Then bribery was unborn,
 No simony man did use;
 Christians did usury scorn,
 Devised among the Jews.”

And Gernutus the Jew, a money-lender, is thus described in the ballad of that name—one of the many versions of the story of Shylock (See Percy’s *Reliques of Ancient English Poetry*):—

“His life was like a barrow hogge,
 That liveth many a day;
 Yet never once doth any good,
 Until men will him slay.”

In the *Curiosities of Literature*, D’Israeli, who drew from facts, has devoted an article to the usurers of the seventeenth century, containing a great deal of curious and amusing information.

The most extraordinary thing connected with the outcry against usury, is, that it was founded upon a distinction so nice, as absolutely to defy precise definition.

To lend money for gain was, as we have seen, denounced as a crime

in the last degree horrible and atrocious; but the most violent advocates of that opinion admitted that the borrower was bound to compensate the lender, not only from any loss arising from the non-return of his money at the time agreed upon, but for any loss he might have incurred, as well as for any profit he might have relinquished in making the loan. The first and second instances came within the case of *damnum emergens*, and the last within that of *lucrum cessans*; in both of which it was admitted by the canon law that the borrower was bound to indemnify the lender. Thus, if the latter were about to purchase an estate, but refrained from doing so in order to make the loan, he might lawfully receive from the borrower an equivalent for the rents of the property, a principle that left innumerable openings for evasions, although it was held that the gain given up by the lender must be something that was certain before he agreed to make the loan, and not a mere probability, yet even an uncertain profit might be estimated and adjudged, *lucrum cessans*, by a proper arbiter. [See some luminous remarks upon the subject of these distinctions by Professor De Morgan, *Companion to Almanack*, 1851, pp. 15 to 18.] To covenant for the payment of damages, interest, and expenses, in case the loan should not be repaid at the stated time, was common, and perfectly lawful. [Macpherson: *Hist. Comm.* i., pp. 427, 509, 555.] The penalties of the Statute 11th Henry VII. were directed only against persons taking "any thing more besides or above the money lent by way of contract or covenant at the time of the same loan; saving lawful penalties for non-payment of the same money lent" [*Statutes of the Realm*, ii. 574]; and Dr. Wilson, the writer already quoted, expressly says, "I do not deny that they who keep your money from you longer than by covenant was agreed are to answer for it, and in all lawe and reason must paie your damages and interest for your money for so long a time holden from you against your will, for herein he doth you apparent wrong, and covenant was there none for gaine to be reaped upon the principall, so this is no usurie," "damages may justlie be awarded to you after ten or twelve in the hundred, and no usurie committed." [*Discourse, &c.*, p. 60.]

This doctrine led readily to another mode of evasion. If a loan were agreed upon for six months, at the rate of ten per cent. per annum, the money was lent nominally for three months free of charge, with a proviso that if not paid in that time it should bear interest at 20 per cent., which, of course, would entitle the lender at the end of six months to his principal with interest, for the whole term, at the rate originally intended. It is said the Jews were very merry, as well they might be, when they heard of the Christians' method of avoiding usury [Kelly, p. 11], which was, however, only practicable with persons on whom a certain amount of reliance could be placed, because the borrower, by returning the loan at the end of the nominal period, might, for that term, escape the payment of interest altogether. A more certain method was termed "*dry exchange*," by which the borrower drew a bill of exchange upon a fictitious personage at Amsterdam, or any foreign town. At maturity, the bill was returned protested, the borrower being charged with re-exchange and incidental expenses; and, in this way 20 or 30 per cent. was often made, the bill never having been out of the country. [*Ibid.*, p. 18.]

The most common form of evasion, however, was one that subsisted to nearly the present time—namely, that of furnishing the borrower, in-

stead of money, with goods, which were resold to the lender, through his agents, at prices much below those he had charged for them. Elaborate provision was made in the 11th Henry VII. [*Statutes of the Realm*, ii. 574] against this device, represented in the preamble of the 13th Elizabeth [*Statutes of the Realm*, ii. 542] to have been "well repressed" by the Statute 37 Henry VIII., which allowed of interest at 10 per cent. per annum; but as having "more exceedingly abounded" since the repeal of that act by the 5 & 6 Edward VI., which forbade the taking of any interest whatever.

Dr. Wilson gives the following account of the practice as carried on in his day:—"I have neede of money and deal with a broker, he answereth me that he cannot helpe me with money, but if I list to have wares I shall speede. Well, my necessitie is great, he bringeth me blotting-paper, pack-thread, fustians, chamlets, haukes, bels and hoodes, or I know not what: I desire him to sell for mine advantage, asking him what he thinketh will be my losse? he answereth, not above twelve pounds in the hundred. When I come to reckon I find I doe lose more than twentie in the hundred: this is called a double stoccado, or the double stab." [*Discourse, &c.*, p. 100.] The Clown in *Measure for Measure* [Act iv., sc. 3], while enumerating the inmates of the jail, says, "First, here's young Master Rash, he's in for a commodity of brown paper and old ginger, ninescore and seventeen pounds, for which he made five marks ready money."

Professor De Morgan remarks, that almost all the books of arithmetic of the sixteenth century contain a class of questions which seem to indicate a method employed among merchants of evading direct usury. "A man lends his friend £145 for sixteen months; when the latter is asked to return the favor, he can only command £94. How long ought he to lend this last sum in requital of his own obligation?" [*Companion to Almanack*, 1851.] The learned Professor quotes (p. 17), the following poetical opening of *Webster's Tables*, published A.D. 1605, which shows how carefully the arithmetician, in giving rules for the calculation of interest, guarded himself against advocating the practice of taking it:

<p>"And though in interest thus thou deal'st Of vsurie, which may (for thee) Thou not conclud'st such contracts made But truly to perform the same In only this thou art a guide; Thou to the guidance leavest all</p>	<p>thou not approv'st at all beneath just censure fall. are lawfull, yea or no, (by parties both) dost shew but else, as is most fit of grace and Holy Writ.</p>
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Dr. Wilson distinctly denounces this practice as usurious [*Discourse, &c.*, p. 104], and, according to the same writer, the following were likewise cases of usury:—"If a man lend money upon promise of a satin gown for his wife, or of an ambling gelding for his or her riding, or hoping assuredlie to have some thankful recompense—which is *mentalis usura*, or usury of the mind—or to get an office, or to his tenants upon the condition that they shall plough his land, he not paying them for their labor; or if he buy goods upon credit and deduct discount for prompt payment, or buy a debt for less than is due thereon." [*Ibid.*, pp. 104–106.]

Many other forms of evasion are cited; such as lending in fictitious names, and men supplying their wives with money to lend at interest. [*Ibid.*, p. 110.] In addition to the cases of "emergent damage" and "cessation of profit," it was universally admitted that interest might lawfully be

charged when there was risk of losing the principal lent. As the uncertainty of human affairs is such that a lender must always incur a possibility of loss, either from the insolvency of his debtor or the failure of his security, this principle carried out to its full extent would have justified the taking of interest in all cases.

The English law, however, always rigidly excluded from consideration such contingencies as these, insisting that the risk to the principal must arise out of the conditions of the contract, as in loans upon bottomry, or annuity, in which the claim is extinguished by the loss of the ship, or the death of the annuitant. The same views appear to have characterized all the earlier writings and legislation upon the subject, but in later times the casuists seized eagerly upon the excuse of the risk of loss from the failure of the debtor, as it enabled them to yield to the growing necessities of society, and sanction the practice of lending upon interest, without abandoning their darling theory of the natural barrenness of money.

A learned writer, whom I have often had occasion to quote, has happily exposed the inconsistency of those who have maintained a doctrine that made the poverty of the debtor, and the consequent danger of his failing in his engagement, a reason for charging him a heavy interest, while they professed at the same time to adhere strictly to the Mosaic texts, which were expressly directed against lending upon usury to the poor. [De Morgan: *Companion to Almanack*, 1851.] A complete idea of the mode in which this question was treated by the canonists, and indeed of their whole theory upon the subject of usury, may be obtained from a case decided at Rome arising out of the following circumstances.

It seems that the legal rate of interest in China about the middle of the sixteenth century was 30 per cent. per annum, and the Roman Catholic missionaries in that country, sorely perplexed between their desire for investments on such profitable terms and their dread of incurring the imputation of usury, endeavored to satisfy their consciences by submitting a question to the Pope, Innocent X., who ordered the Sacred Congregation de Propaganda Fide to be convened, for the purpose of considering and determining it (A. D. 1645).

THE CASE.—“In the kingdom of China it is settled by law that thirty per cent. may be taken for money lent, without any regard of ‘*ceasing lucre*’ or ‘*emerging damage*’ to him that lends. ’Tis demanded, whether it be lawful to receive the said thirty per cent., as established by law of the kingdom, though no cessation of lucre intervene or emergent damage? The motive for doubting is the danger which occurs, either because he that received the principal may be absent or fly, or that he’s backward in paying, or that the creditor may be forced to go to law, or the like.”

THE ANSWER OF THE SACRED CONGREGATION.

“The Congregation judges that for money immediately and purely as lent, nothing is to be taken above the principal; but if any thing be received by reason of a *probably intervening danger*, as in the case, they are not to be disquieted, so that regard be had to the quality and probability of the danger, and proportion be kept between danger and interest.”*

It seems wonderful that any one should have had his mind disquieted

* This case, with the decision thereon, extracted from the Epistles of Père Daniel (Paris, 1697), was given as a postscript to a pamphlet published in London (A.D. 1698), of which I have only seen a fragment.

on the subject of usury, when such accommodating answers could be obtained. Far more distinct and candid was the reply of the President of the English (Roman Catholic) College of Douai, who, being questioned as to the opinion of his community upon the lawfulness of taking interest, answered ingenuously, they were divided; for such as had money to put out thought it lawful, such as had none were against it.

In the case forwarded to Rome, we may be certain the missionaries were not disposed to undervalue the risks to the lender; that they were unable to cite any but those inevitably attendant upon such transactions, even in highly-civilized and well-ordered communities, is satisfactory evidence of the general state of security in China at the time. Such being the fact, the very high rate of 30 per cent. per annum shows the amount of accumulated capital in the country to have been exceedingly small, when compared with the extent of the population and the supply of labor; and this state of things has continued: for we are told by a writer remarkably well informed upon the subject (Sir John Barrow), that, up to a recent period, the legal rate of interest was 3 per cent. for a month, or 36 per cent. per annum. The same writer mentions a regulation, which some persons may consider a wholesome one—that the borrower, if the interest be not punctually paid, is subjected to ten stripes of the bamboo for the first month, twenty for the second, and so on. [*Ency. Brit.*, 7th edit.; art., "China," p. 583.] No information as to the rates of interest in China is to be found in the elaborate work of Du Halde upon that country; but the facts he states, as to the small sum required for obtaining a subsistence by traffic [ii. 204], confirm the opinion above expressed of the general scarcity of capital. At present, the ordinary rate of interest in the kingdom of Siam is 30 per cent. per annum. [Sir John Bowring's *Account of Siam*, i. 406.] It is related by Du Halde that the mandarins commonly lent their money to the merchants. And the Eastern nations generally, with the exception of the followers of Mahomet, appear to have had no scruples on the subject of usury. His denunciation of the practice, most probably suggested by the Mosaic law, is curious in one respect; for the justification of it he especially objects to, which was evidently the popular one at the time—"Truly, selling is but as usury"—is only a concise statement of the principle it has taken centuries of discussion to establish in this country—namely, that there are no grounds for treating a loan of money differently from any other commercial transaction.

The following is the doctrine of Mahomet upon the subject, extracted from the second chapter of the Koran, entitled The Cow. "They who devour usury shall not arise from the dead, but as he ariseth whom Satan has infected by a touch (i. e., like demoniacs or possessed persons), this shall happen to them, because they say *Truly, selling is but as usury*; and yet God has permitted selling and forbidden usury. He therefore who, when there cometh unto him an admonition from his Lord, abstaineth from usury for the future, shall have what is past forgiven him, and his affair belongeth unto God. But whoever returneth unto usury, they shall be the companions of hell fire, they shall continue therein forever. God shall take his blessing from usury and shall increase alms." Sale's *Koran*, p. 52.

The Hindoo code of Manu stigmatizes travelling with merchandise as an occupation fit only for those the twice-born despise, but describes lending at interest as a virtuous mode of subsistence, especially recommended

to the third caste (Vaiśyas, or husbandmen), although not available for Kohatriyas (soldiers) or Brahmins. A lender of money may take, in addition to his capital, an eightieth part of a hundred ($1\frac{1}{4}$ per cent.) by the month (15 per cent. per annum), or even two in the hundred (24 per cent. per annum), by remembering the duty of a good man—"for by taking two in the hundred he becomes not a sinner for gain," says the code, which continues—"He may thus take in the direct order of the classes; two in the hundred (24 per cent. per annum) from a Brahman, three from a Soldier, four from a Vaiśya, and five from a mechanic or Sudra, but never more at interest by the month."

The subject of loans and pledges is very elaborately treated in the code, and special instructions are given as to the insurance of goods in transit, either by land or water. [Mrs. Spier's *Life in Ancient India*: Lond. 1856; pp. 162, 163.] The peculiar nature of the questions that arose out of the subject of usury brought it within the domain of moral as well as of economical science, and attracted to it the special attention of nearly every eminent English writer who has treated of both those branches of knowledge. Thus it came to be considered by Bacon, Selden, and Locke; by Hume, Adam Smith, and Paley; by Bentham, and by Whateley.

"Many," says Lord Bacon, "have made witty invectives against usury," "but few have spoken of usury usefully." An assertion that was perfectly accurate at the time the essay from which it is extracted was published (A. D. 1625),* as this appears to have been the first attempt made in England to discuss the practice upon grounds purely political and social, and to consider calmly in what respect it was advantageous or otherwise to the community. The illustrious author, after enumerating some of the popular objections, continues, "It is good to set before us the incommunities as well as the commodities of usury." Among the former he instances, "that it makes fewer merchants; that it makes poor merchants; the third is incident to the other two, and that is, the decay of customs (revenue) of kings or estates, which ebb and flow with merchandising; the fourth, that it bringeth the treasure of a realm or state into few hands; the fifth, that it beats down the price of land; the sixth, that it doth dull and damp all industries, improvements, and new inventions, wherein money would be stirring were it not for this slug; the last, that it is the canker and ruin of many men's estates, which, in process of time, breeds a public poverty."

On the other hand, he enumerates among the commodities of usury, "that though in some respects it hindereth merchandising, yet, in some others, it advanceth it; for it is certain that the greatest part of trade is driven by young merchants upon borrowing at interest, so as if the usurer either call in or keep back his money, there will come presently a great stand in trade; the second is, that were it not for this easy borrowing upon interest, men's necessities would draw them upon a more sudden undoing, in that they would be forced to sell their means (be it lands or goods) far under foot; and so whereas usury does but gnaw upon them, bad markets would swallow them quite up. The third and last is, that it is a vanity to conceive that there would be ordinary borrowing without profit, and it is impossible to conceive the number of inconveniences that would ensue if

* The *Essay of Usury* did not appear until the ninth edition of Bacon's essays, published the year before his death.—See Montague's *Life of Bacon*, Appendix, note 3, i.

borrowing be cramped; therefore, to speak of the abolishing of usury is idle; all states have had it in one kind or rate or other, so as that opinion must be sent to Utopia."

He then proposes, for the reformation and reglement of usury, a system in some respects analogous to the regulations of Justinian, which have been quoted. [*Bankers' Mag.*, p. 281.] First, that it should be reduced in general to five in the hundred, eight being then the legal rate; and secondly, that licenses should be granted to certain persons to lend to "known merchants" at a higher rate, which was also to be limited, but to what extent is not stated. The licensed lenders not to be restricted as to number, but to be confined to certain principal cities and towns of merchandising, that they might not be able to color (*i. e.*, pass for their own) other men's moneys.

I have given, in considerable detail, the views of Bacon as to usury, because I think nothing can show more strongly the thick mist of prejudice by which the subject was surrounded, than the fact, that one of the most sagacious and penetrating minds the world has produced, held opinions respecting it, which, if uttered at the present time, would be received with general ridicule.* We might be tempted to suppose, that he had a clear insight into the truth, but was deterred, by the fear of popular clamor, from expressing his full convictions, had he not, in his *Essay of Riches*, disclosed even narrower views, uttering therein, as his own, and without any qualification, opinions, which it might be inferred from the *Essay of Usury*, that he considered popular errors. "Usury," he says, "is the certainest means of gain, though one of the worst, as that whereby a man doth eat his bread in *sudore vultus alieni*, and besides doth plough on Sundays."

That "the usurer's plough goes on Sundays" was a vulgar objection, which might as readily have been urged against all annual rents and charges, while the reproach of subsisting upon the labor of others applied with equal justice to all who lived upon accumulated property. When speaking of the difficulties experienced by persons unable to borrow at interest, Bacon says, "As for mortgaging or pawning, it will little mend the matter; for, either men will not take pawns without use (*i. e.*, interest), or, if they do, will look precisely to the forfeiture. I remember a cruel monied man in the country, that would say, 'The devil take this usury, it keeps us from forfeiture of mortgages and bonds.'"

The term mortgage is derived from *mortuum vadium*, or dead pledge, as distinguished from *vivum vadium*, or living pledge, by which an estate charged with a loan remained only in the hands of the lender until the rents and profits amounted to a sum sufficient to discharge the debt. When interest could not be received, a lender had no inducement to enter into such a transaction, because he could never obtain by it more than the return of his advance, without any profit; but it was otherwise with the *mortuum vadium*, by which he entered into possession of the estate, charged and retained it in perpetuity, if the borrower neglected to repay the loan at the time appointed. [Blackstone's *Commentaries*, book ii., chap. x.]

* "In this essay on usury, he does not go the whole length of the prejudices existing in his time, though he partakes of them in a great degree."—Whateley's *Annotations on Bacon's Essays*: London, 1856.

In England the distinction between these two kinds of security has been nearly obliterated by the *equity of redemption*, reserved to the borrower by the Courts of Equity; but it seems probable that the system under which land is generally charged with the payment of interest, originated in the refusal of the law to sanction lending upon interest in any form. The inconveniences and losses inflicted by this refusal upon those whose necessities compelled them to borrow, are indicated by the regrets of the covetous Dives mentioned by Bacon, and will be readily understood by any one in the slightest degree conversant with the aspect presented by human nature in pecuniary transactions.

Bacon's complaint, that usury beats down the price of land, was a common cry at the time. Eleven years before the publication of his essay, on the 31st May, 1614, the following expressions are reported to have been used by a member of the House of Commons, in a debate upon a "Bill against Usury and Scrivener Brokers," "that this usury maketh money leave merchandising, where £100 bringeth more profit to the king than £100,000 at interest; hindereth the king on his subsidies; is a great scandal to our religion; taketh away a principal part of liberality; hath filled full the prisons; *enhanceth all the commodities of the kingdom; abaseth the price of lands.*" [*Commons' Journals*, i. 303.]

The failure of the orator quoted to perceive that he who lends upon an estate helps to keep it out of the market, and thus to keep up its price, will, perhaps, excite less surprise, as the discovery appears to have partially eluded the sagacity of Bacon; but it is certainly marvellous any one should have imagined that usury could diminish the price of land, and, at the same time, enhance the price of those products that alone render it valuable.

If the signal practical refutation such opinions were fated to receive could have been revealed to those who held them, the astonishment of the theorist would have been unbounded.

We cannot fix with perfect accuracy the value of land in the time of Bacon, but we have the means of making an approximate calculation upon the subject.

It is mentioned by Hume, that in the year 1544, an acre of good land let for a shilling, which he estimates at fifteen pence of our present money. [*Hist. Eng.*, chap. xxxiii.] It is difficult to assign a precise equivalent to the shilling of Henry the Eighth's time, as he caused coins of this denomination to be struck of very different intrinsic values; but, during the greater part of his reign, the shilling appears to have been about equal to eighteen pence in our modern currency: and this is the proportion adopted by Adam Smith. [Book i., chap. i., conclusion.] Towards the end of the seventeenth century, rent in England was about six shillings an acre [*Usury, &c.*, examined by T. Morley: Lond, 1662; p. 11]; and as the average in 1843 was not less than twenty-four shillings the acre,* Lord Macaulay is correct in his estimate that it had quadrupled in the interval between the two periods [*Hist. Eng.* i. 318.], about a century and a half. It had increased,

* In McCulloch's *Statistical Account of the British Empire* (vol. i., p. 553), the average rent of land, in 1843, is given for England only at £1 3s. 2½d. per statute acre; but as this result is obtained by dividing the gross rental of the kingdom by the aggregate average of the counties, without allowance for roads and wastes, the actual average must be somewhat higher.

as we have seen, in exactly the same proportion during the nearly similar interval preceding the Revolution; so that, assuming the growth to have been uniform, the annual value of land in England has been doubled once in ever period of seventy-five years since the Reformation, being an increase in each year of 0.934, or 18s. 8d., per cent.

An improvement of less than 1 per cent. per annum, does not sound very remarkable; but, nevertheless, should the same rate of increase continue for as long a period as it has already been in progress, the annual value of an acre of land in England three hundred years hence will be nearly £20 sterling; the revenues of some existing entails, if they can be maintained unbroken, will be reckoned by millions; and the rental, for a single year, of the whole landed property of the United Kingdom, will exceed the present amount of our National Debt. What sum the latter will have attained to by the period in question, I shall not pretend to conjecture. The sober processes of arithmetic occasionally outstrips the wildest flights of imagination. The total rental of England and Wales is estimated to have been—In 1600, £6,000; in 1680, £14,000,000. By Davenant, vol. i., page 352 (*including houses and mines*). In 1771, £16,000,000. By Arthur Young: *Northern Tour* iv. 366 (land only). In 1806, £25,900,000; in 1815, £34,230,000; in 1843, £40,167,000; in 1852, £41,118,000. By McCulloch: *Statistical account of the British Empire*, i. 558 (land only). These numbers having been deduced from the property-tax returns, are probably correct: the accuracy of the others is necessarily very doubtful.

Perhaps the poet who sang—"The grand agrarian alchemy—high rent" [Byron: *Age of Bronze*], would never have dreamed of such a development of it as is here suggested, and yet nothing has been supposed but a repetition of results that have actually occurred.

"When interest was at 10 per cent.," says Adam Smith, "land sold commonly for ten and twelve years' purchase." [*W. of Nations*, book ii., chap. iv.] He does not give any authority for this assertion, which seems rather to be founded upon a principle laid down by himself, that "The ordinary market price of land depends everywhere upon the ordinary market rate of interest." [*Ibid.*] In reference to this, it may be remarked that, although there must always be a relative proportion between them, the extent of it may be materially modified by circumstances. It seems certain that the odium attending loans upon interest, at the period under consideration, would have deterred most capitalists from engaging in them, unless tempted by a much higher profit than could be made by the purchase of land; yet the greatest difference assigned by Adam Smith is not more than exists at the present day, when the rate of interest upon mortgages always exceeds, by at least a sixth part, and often in a greater proportion, the returns upon landed investments.

Dr. Davenant, according to Lord Macaulay, "an acute and well informed, though most unprincipled and rancorous, politician" [*Hist. Eng.* i. 314], says land sold at twelve years' purchase "before England became a trading nation" [*Works*: Lond. 1771; i. 359], a description that hardly applies to the age of Drake and Raleigh. One of the reasons urged by Bacon for the reduction of interest to 5 per cent., was, that it would keep up the price of land; because, at sixteen years' purchase, which he appears to have considered as beyond the common rate, though not excessively so, it would

pay more than 6 per cent. [*Essay of Usury.*] Sir Thomas Culpeper the elder, perhaps the very best authority, spoke (A. D. 1621) of fifteen years' purchase as not likely to be exceeded. [*See his Tract Against Usury.*]

Upon the whole, it seems probable that, in the reign of James I., the value of land was from twelve to fourteen years' purchase; and as, according to the scale of progression that has been laid down, the rent would be about 3s. per acre, the selling price averaged from 36s. to 42s. per acre, not much more than a twentieth part of what, even without any peculiar advantage of situation, is commonly realized at the present time. As the relative improvement must have been greatest in the manufacturing districts, we may readily believe the assertion—that the present amount of the yearly rental of Lancashire would have bought the fee simple of the country in the time of Elizabeth.

It is undoubted that this increase could never have taken place if the total prohibition of usury had continued to exist.

THE WESTERN BANK OF SCOTLAND.

From the London Times.

ALTHOUGH Mr. Esdaile, the Governor of the Royal British Bank, who at least lost his own money along with that of the shareholders, who stood to his post to the last, and who, as was stated by Lord Campbell, was clearly shown never to have personally sought any pecuniary advantages from the concern, is still in durance, the prospect of justice being executed in the case of the Western Bank of Scotland is more remote than ever. To-morrow week, the 24th inst., a step is to be taken which will put the directors of that establishment out of all jeopardy. A meeting of the proprietors is to be held at Glasgow to give power to the liquidators, with the sanction of the committee of shareholders, to effect compromises with any persons—shareholders or direct debtors—who may be under liabilities to the bank, and there can be little doubt that, as soon as this resolution shall have been adopted, every uncomfortable question will be hushed up with all convenient speed. The liquidators and the committee of shareholders are believed alike to be anxious to secure this end. The influence of the directors is said to have been greatly exerted in the first instance to secure their nomination, and, looking at the fact that the chairman at the very outset of his duties took upon himself to assure the Lord Advocate “that none of them anticipated such disclosures as would call for criminal proceedings,” there can be little doubt that they share the views of Mr. Sheriff Alison, and consider that none but venial errors have been committed. Still, if the shareholders choose, either through indolence, infatuation, or sentiment, to sanction such arrangements, the matter is one entirely between themselves and those by whom they have been ruined. It is reported that a recent investigation into the accounts has demonstrated that the unsound condition of the bank dates several years back, and that, while declaring large and increasing dividends, the directors had every reason to know that they were

making losses instead of profits. The inference would be that all persons who had purchased shares under the influence of the false statements periodically issued could recover the full amount of their investments from the directors; and it might also even be a question whether the whole body of proprietors, who had thus been deceived and prevented from taking timely steps to wind up, could not likewise resort to such proceedings. If, however, the sufferers prefer to let matters take their course under the pro-rata system, so that the director who may be worth a million sterling, but is the holder only of £10,000 in the shares of the bank, shall merely be called upon to contribute the same sum as the family of orphan daughters of a professional man who may have inherited £10,000 in these shares as their sole provision, it is not for outside persons to complain. No one who is without interest in the matter can wish to see the millionaire lose his property, and if those who have suffered by his conduct find sufficient pleasure in seeing him still with £990,000, while they are themselves ruined to compensate for the sacrifice to which they are submitting, there is no occasion to seek invidiously to disturb the general harmony. On all these points, therefore, discussion may be allowed to drop. But the affair has public aspects which remain to be settled. Why is Mr. Esdaile allowed to lie in prison? Will any of the friends of the directors of the Western Bank of Scotland mention a single feature of his case which has not been far exceeded in theirs? That Mr. Esdaile was extremely culpable, and that it would be a good thing if all persons who recklessly attempt to guide undertakings for which they have no capacity, and who put forth incorrect reports based upon their own sanguine delusions, were locked up for 12 months to ponder on the mischief they have effected, will be admitted by most persons. The only thing to be insisted upon is, that one man shall not be singled out while more astute and extensive offenders are screened. If Mr. Esdaile shared his fate in common with all who have done likewise no one could pity him. As it is he is a martyr. The commercial classes wanted a scapegoat, and the lot has fallen upon him. Instead of purifying themselves, however, they have thus shown the utter want of scrupulousness that prevails. No question of simple right or wrong can obtain consideration. If right is done in any public case, it can always be traced to momentary agitation or party feelings that have become enlisted. If the question had related to some political offence, and an individual of one party had been imprisoned while culprits on the opposite side had been sheltered, all the reform societies throughout the kingdom and all the patriots in the House of Commons would have been astir. They would have protested against the foundations of virtue being thus sapped, and perhaps would have even persuaded themselves that love for virtue, and not rivalry or malice, was the impulse by which they were actuated. As it is, no one cares about the matter. Not only may the impartial administration of the laws of the country be wholly contemned, but the most solemn warnings from the judicial bench may be brought into ridicule. "I hope it will now be known that such practices (declaring dividends out of capital, making false reports, &c.) are illegal, and will not only give rise to punishment, but that *no length of investigation, no intricacies of accounts, and no devices will be able to shield such practices*," said Lord Campbell at the British Bank trial. This was greatly applauded at the time, but the subsequent conduct of the Government has brought it into mere bombast. The vir-

tuous excitement that then prevailed has evaporated; the whole thing has become a bore; and if it be a bore to do justice, they are only tiresome and impracticable people who would disturb the community by harping upon it. But this system of universal laxity and concession, however convenient for the moment, will one day bring its fruits.

THE LONDON JOINT STOCK BANKS.

From the London Daily News, August 7, 1858.

THE seven city joint stock banks having now issued their half-yearly financial statements, it becomes interesting to examine the results.

The London and Westminster Bank, established 24 years, has a nominal capital of £5,000,000, of which £1,000,000 is paid up. The deposits, &c., are returned at £12,443,745, being £1,445,276 less than on the 31st of December last, and £1,469,313 less than on the 30th June, 1857. The reserved fund, inclusive of £4,029, added for the last half year, is £165,204. The dividend and bonus just declared are at the rate of 16 per cent. per annum, against 14 per cent. per annum for the previous six months.

The London Joint Stock Bank, established twenty-two years, has a nominal capital of £3,000,000, of which £600,000 is paid up. The deposits, &c., amount to £10,287,623, being 449,951 less than on the 31st December last, and £410,907 less than on the 30th June, 1857. The reserved fund, inclusive of £2,805 added for the six months, is £189,819. The dividend and bonus just declared are at the rate of 22½ per cent. per annum, being the same rate of distribution as for the previous six months.

The Union Bank of London, established 19 years, has a nominal capital of £3,000,000, of which £600,000 is paid up. The deposits, current accounts, &c., are £9,032,134, being £613,779 less than on the 31st December last, and £1,842,506 less than on the 30th June, 1857. The reserved fund, inclusive of £15,000 now added for the year, is raised to £165,000. The dividend and bonus just declared are at the rate of 15 per cent. per annum, making 15 per cent. for the company's financial year, now ended.

The London and County Bank, established 19 years, has a nominal capital of £2,000,000, of which £500,000 is paid up. The deposits, &c., are £4,178,283, being £644,858 more than on the 31st of December last, and £321,002 more than on the 30th of June, 1857. The reserved fund, to which no addition has been made for the last six months, is £105,000. The dividend just declared is at the rate usual at this period of the year, viz., 10 per cent. per annum.

The Commercial Bank of London, established 18 years, has a nominal capital of £1,500,000, of which £300,000 is paid up. The deposits, &c., amount to £935,001, being £113,455 more than on the 31st December

last, and £1,643 less than on the 30th of June, 1857. The reserved fund, to which no addition has been made for the last six months, is £75,000. The dividend just declared is at the rate of 6 per cent. per annum. The dividend for the previous six months was at the same rate.

The City Bank, established three years, has a nominal capital of £800,000, of which £300,000 is paid up. The deposits, &c., are £1,252,250, being £136,683 less than on the 31st December last, and £4,059 more than on the 30th June, 1857. The reserved fund, inclusive of £2,000 now added, is £30,000. The dividend and bonus just declared, are at the rate of 8 per cent. per annum, against 5 per cent. per annum for the previous six months.

The Bank of London, established three years, has a nominal capital of £800,000, of which £300,000 is paid up. The deposit and current accounts, &c., are stated at £1,059,352, being £55,491 less than on the 31st December last, and £145,654 less than on the 30th June, 1857. The reserved fund, inclusive of £3,320 added for the last six months, is £8,000. The dividend just declared is at the rate of 5 per cent. per annum. That for the previous six months was at the same rate.

It is interesting to glance at the movement of the deposits and current accounts. A comparison of the figures now rendered with those extending to the 31st December last, shows an aggregate decrease of £1,942,873. Every one of the seven banks presents a decrease, except the Commercial, which has gained £113,445, and the London and County, which has gained £644,858. The increase in the business of the latter establishment forms one of the principal features of the present series of returns. A comparison with the returns extending to the 30th June, 1857, exhibits an aggregate decrease of £2,339,956, the exceptions being the City Bank, which has gained £4,059, and the London and County Bank, which has gained £321,002. The aggregate amount of deposits, &c., now held by the seven banks, is £39,188,468, against £41,131,341 on the 31st December last, and £41,528,424 on the 30th June, 1857. We see in this movement the natural effect of the decline in the rates allowed by the joint stock banks for deposits. The high terms offered during the greater part of last year attracted rivulets of capital from all quarters, but now that two per cent. per annum is scarcely obtainable, the power of attraction is diminished. The alteration is the more worthy of notice because from the date of the inauguration of this system, until the 30th June, 1857, the aggregate of deposits in the seven London banks had experienced an annual increase.

From the materials now furnished we have compiled the following statement, showing in each case the ratio of the paid-up capital and reserved fund to the deposits :

	<i>Ratio of Paid-up Capital to Deposits per Cent.</i>	<i>Ratio of Reserved Fund to Deposits per Cent.</i>	<i>Ratio of Paid-up Capital and Reserved Fund to Deposits Per Cent.</i>
London and Westminster,.....	8	1.50	9.83
London Joint Stock,.....	5.83	1.84	7.67
Union of London,.....	6.64	1.82	8.46
London and County,.....	11.96	2.51	14.47
Commercial,.....	32	8	40
City,.....	23.95	2.39	26.34
Bank of London,.....	28.32	0.75	29.07

This statement, it will be remarked, is quite an index to the rate of dividend declared in each case. The London Joint Stock Bank, which has the smallest proportion of paid-up capital, in relation to deposits, pays the highest dividend, whilst the Commercial Bank, which has no less than 40 per cent. of its deposits and current liabilities represented by paid-up capital and guaranteed fund, pays the lowest dividend. It is of course by applying the profits derived from the employment of a great mass of deposits to dividend on a slender paid-up capital, that so high a rate of distribution as from 15 to 22½ per cent. per annum is attained.

On former occasions a great discrepancy has been noticed in the amount of cash and government securities held by the several banks in relation to their liabilities, but the difference is now much less marked. In cash and government securities the London and Westminster Bank holds £24 for every £100 of deposits; the Commercial and City Banks hold £27; the Union Bank, £28; the Bank of London, £23; and the London and County no less than £40. In the case of the London Joint Stock Bank, no comparison can be instituted, as this establishment continues to lump its cash with its loans and bills discounted. We may remark that the mode in which the balance-sheet of the London and County Bank is made out, is the clearest and fullest of any, and that of the London Joint Stock Bank the least so.

The general results deducible from these comparisons are satisfactory, and calculated to stimulate the confidence of the public, for, as far as a judgment can be formed from these bare figures, the operations of all the banks are conducted with prudence, and due attention is paid to the retention of an adequate banking balance. Whether this point would meet with equal attention, were the channels for the employment of money more open than at present, we will not attempt to inquire.

BANKING IN GEORGIA.

From the Augusta Constitutionalist.

PRIOR to December, 1832, it was customary, first for the legislature, by joint resolution, to call for statements or returns from those banks in which the State held stock. Afterwards, all the banks were called on for returns by joint resolution. The notes appended to the title "Banks," in Prince's Digest, show the course of legislation on this subject. The first statute requiring bank returns, was passed December 24th, 1832. As the charters of the banks made no provision for such returns, the plan adopted to coerce the making of them was the enactment that, on a failure, it should be the duty of the Governor to notify the Treasurer to repudiate the bills of the delinquent bank, and the further enactment that it should be the duty of the Governor to publish the name of the delinquent bank in all the papers printed in Milledgeville. The only penalty, at this day, for a failure to make a bank return, is that of repudiation of bills at the public

treasury and the publication in the Milledgeville papers. There was no other way of coercing these returns. The legislature could not say that a bank charter should be forfeited if a return was not made, because it was no violation of charter to refuse a return. A law calling for returns and declaring the bank liable to forfeiture of charter for not making them, would have been a law impairing the obligation of the contract made by the State with the banks in the charters granted to them, and therefore unconstitutional and void.

But, in the history of the matter, the banks never refused to make the required returns. They felt no disposition to thwart the legislature in the laudable effort of procuring, for the people, correct information concerning the currency which they were daily receiving. They of course had no wish to see themselves gazetted as delinquents, and their bills rejected by the Treasurer. It is but justice to the banks to say that they, themselves, desired the returns. No one bank could get at the standing of other banks with which it was constantly dealing, without a call by the legislature for the returns. Information, such as that called for by the bank returns, is useful to the people and to the banks, and it should be given freely and honestly. Any attempt to avoid making a bank return would be viewed by the people as a suspicious act, and the bank suppressing a return would soon find its bills repudiated by them, or if received, sent speedily to its counter for redemption in coin. It is the true interest of all the banks to give, on oath, the required public information.

The bank return law of 1832 has, in certain particulars, been altered—but it is not necessary to advert to the alterations. The penalty in the act of 1832 is the penalty, and the only penalty, to day. The act of 1857 required an oath additional to the one presented in the law of 1832, to wit: that the provisions of the act of 1857 had not, in any particular, been violated. It is this additional oath that the banks, for the greater part, have refused to furnish to the Governor, as an accompaniment to their ordinary sworn returns.

Some of the banks declining to furnish the additional oath, have, probably, not violated, in any particular, the provisions of the act of 1857. Such banks have, perhaps, been deterred by the fear that taking the additional oath would be adjudged an acceptance of the whole of the act of 1857, as part of their charters. We have seen that there are parts of the act (section 2, and sections 8 to 13 inclusive), which are applicable to all banks. Only one of these sections (the 13th) has any allusion to a bank in a state of suspension. The provisions concerning loaning, discounting, selling exchange, and refusing to pay specie, are all general provisions. We have seen what is the extent of the obligation, under the law of 1832, on the part of the banks, to make returns, and the extent of the penalty. The additional oath does not infringe any rights of the banks, though it sprang from a spirit of hostility to them.

Again, there are other banks whose Directors are, in fact, uncertain whether they have violated the law of '57, or not, and are, therefore, unwilling to take a positive oath that they have not violated it in any particular.

It is not every bank officer who is capable of judging what is a violation of the law, and a law which forces him to swear positively that he had not violated it, is, to say the least, most unjust. If a bank has purchased a

sight check on Macon, or on New York, at a quarter of one per cent. discount, has that bank violated the ninth section of the law of '57? Here is a question upon which there is, honestly, a difference of opinion. Some maintain that it is no violation, whilst others say such an act is the discounting of paper at a greater rate of interest than seven per centum per annum, and therefore against the law; and such seems to be the better opinion.

Did the legislature intend to prevent the banks of Savannah from keeping exchange between New York and Savannah at par, or in favor of Savannah? One would say—"certainly not;" for that would be favoring New York at the expense of Georgia. Then, did the legislature intend that the bank should not buy a sight bill on New York at a discount? The same answer would seem, naturally, to follow—"certainly not." And yet it is this very purchase of sight exchange on New York at a discount, that has prevented some of the banks from giving the new additional oath. Foreign bills are excepted from the operation of the tenth section of the law—they are not excepted from the operation of the ninth section. A bill drawn in Savannah on New York is a foreign bill. A bank can buy a sight check on New York at any rate of *premium*, or can sell it at any rate of premium; can sell it any rate of discount, but cannot buy it any rate of discount. This is believed to be a true interpretation of the act of 1857.

All agree in this—that under the law of 1857, the agent of a Savannah bank, residing in the interior (Macon, for example), cannot take off (discount) from the face of a bill there drawn on Savannah, a quarter of one per cent. for exchange in addition to lawful interest for the time the bill has to run. It is clear that it was the aim of the legislature to prohibit that very thing. It is interesting to inquire whether they have accomplished their purpose, or whether, on the contrary, they have not, by the tenth section of the law, allowed and invited that very thing, to the extent of one per centum. A citizen of Macon wants ten thousand dollars to buy cotton to send it to Savannah for sale. He goes to a Savannah bank agency in Macon, and asks to have his bill on Savannah discounted. The agent tells him he cannot discount it at simple interest, and he cannot take one-quarter of one per cent. for exchange, because the law of 1857 prohibits it. The bill is not discounted. The Macon citizen then says to the bank in Savannah, "Sell me a sight check on your agent in Macon, at a quarter of one per cent. *premium*—I will give you for it my note at thirty days, with a good indorser, payable in Savannah, which you can discount at seven per cent." Such a purchase is not against the law of 1857—such a sale is not against the law. The check is presented to the agent—paid in the bills of the Savannah bank—the Savannah bank receives, lawfully, for the loan of its money, interest at seven per cent. per annum, and one-quarter of one per cent. for exchange. That which cannot be done *directly*, the very law itself allows to be done, *per obliquum*!

The inquiry may be made, is it possible that such legislation stands unrepealed on the statute book of Georgia? How came the thing to pass? Who made this law of 1857? Governor Brown says the banks, by their friends, made the law. The banks say "save us from our friends." The simple truth is, that the banks could not get what they considered a fair law. The Governor could not get a law as stringent as he thought right.

The legislative and executive departments of the Government were handling a subject upon which they were not well informed. The banks were suspected—in many quarters hated concerns—and would not be listened to. The friends of the banks took what they could get. The consequence has been a law injurious to the banks and to the people, and unsatisfactory to the Governor—a law which allows the left hand to do what it prohibits the right hand from doing, a law which allows a bank to sell a sight check on New York—at any rate of premium—and which prohibits it from buying a sight check on New York at any discount. The banks sought to do right. It is no more than fair to say that the Governor sought to do right. The Governor, in his inaugural address, violently attacked the banks, and charged them with bringing suspension of specie payments upon the land by their undue expansion. The House committee on banks showed that the circulation of the banks of Georgia had been largely curtailed.

There was no sort of understanding between the banks and the Governor, so far from it, they seemed to be “at daggers’ draw.” The Governor, however, said he would leave it to the legislature to do what was right, and when the legislature did what they thought best, the Governor vetoed their action, and they, in turn, overruled the Governor. Pity that the strife began—pity that it continues—but “*non nobis tantas componere lites.*” The duty devolves upon the representatives of the people. If the people are against the banks, their representatives will be against the banks. The Governor is against the banks. The banks, notwithstanding, have done their duty—they resumed specie payments in advance of their neighbors, and forced their neighbors to resume. They did so some six months before they were compelled by law. They said in November that they could not resume until the crop came to market; they said that they would resume as soon as the crop could get to market. They kept their word, and resumed on the 1st of May, before the whole crop came forward. Are not the people satisfied? They see that the banks are sound. They can get, on demand, a gold or silver dollar for every paper one they have. Bank checks on New York are selling in Savannah at one-fourth of one per cent. premium, or less—property, lands, negroes, horses and mules, and cotton keep very well up—provisions are gradually going down. Will the people of the upper country continue to war upon the banks of Savannah? That city can proudly say, *there was never a bank in it that became insolvent.* Whilst the middle and upper portions of the State have been cursed with fraudulent banks, no such misfortune has ever befallen Savannah. Fair legislation; sensible legislation; fair and sensible for the people, as well as for the banks, is all that the banks want.

A Swiss Millionaire.—M. Merian, of Basle, Switzerland, who was probably the wealthiest inhabitant of Switzerland, lately deceased, has left the bulk of his large fortune, amounting to upwards of forty million francs, to his wife for life, and after her death it will go to the town of Basle, his birthplace. He has bequeathed about four millions to some collateral relations, and a similar sum to be divided among some charitable institutions, missionaries, his medical attendants, his notary, clerks, servants, &c. By a singular clause in his will M. Merian has given to all parties who were indebted to him at the time of his death a year's interest on their respective debts.—*Galignani's Messenger.*

LEGAL MISCELLANY.

PROMISSORY NOTE—DEATH OF MAKER AT MATURITY.

SUPERIOR COURT OF CINCINNATI—GENERAL TERM.

John Huff vs. Richard Ashcraft.

In case of the death of the maker of a note, at the time of its maturity, the presentment should at once be made to his executor or administrator. If there be no executor or administrator, then at the dwelling house of the deceased. No exception has ever been made or recognized from the circumstance of the death of the maker occurring on the very day of the maturity of the note—his body lying unburied in his dwelling-house. Commercial rules should be uniform, simple, subject to few exceptions, and not liable to be varied to meet the apparent inconvenience or injustice of particular cases.

THIS was an action upon a promissory note, made by William Erwin and indorsed by the defendant. The defence was that there had been no sufficient demand of payment to charge the indorser. The facts, as agreed by the parties, were as follows: a notary public, on the day of the maturity of the note, the 13th December, 1854, after bank hours on said day, received the note from the Central Bank, and was told, in the bank, that the maker was dead, and was to be buried that day. He took the note, and inquired about the court-house in Cincinnati, and, hearing the same thing, that the maker was dead, and was to be buried that day, he then proceeded to notify the indorser, and protest the note for non-payment. The residence of the maker was in the vicinity of the city of Cincinnati, and, in point of fact, he was dead, and about to be buried on that day. The defendant was an accommodation indorser. No executor or administrator of the maker had been appointed. Notice of non-payment and protest was duly given to the defendant. No demand was made for payment at the residence of the maker, the notary taking no further step toward a demand than stated above. The note was not payable at any particular place, but generally.

Upon the above facts the case was submitted to the Court at Special Term, and the question involved reserved to the Court in General Term.

GHOLSON, J.

The rule of commercial law, applicable in such a case as this, is very clearly stated in the elementary works written on the subject. "In case of the death of the maker at the time of maturity of the note, presentment for payment should be to his executor or administrator, if any one be appointed and qualified to act, and the place of residence of the executor or administrator can, upon reasonable inquiries, be ascertained. If there be no executor or administrator appointed and qualified to act, then a presentment should be made and payment demanded at the dwelling-house of the deceased." (Story on Promissory Notes, section 253; Chitty on Bills, 357; Parsons on Mercantile Law, 106; Malyn's Lex Mercatoria, 273.)

This rule, prescribing what diligence shall be used in making a presentment for payment in case of the death of an acceptor of a bill or a maker of a promissory note, appears [rather to have been founded upon general principles of commercial law, or a recognized practice, than upon any adjudicated case, binding as an authority. No English case upon the subject appears to be cited. There are some American, but they appear to have been decided upon the authority of the elementary books. The conclusion, however, appears to be clear, that the rule, as stated, has been generally received and recognized for a considerable period, both in England and the United States.

The reason upon which the rule may be sustained is shown in an analogous case. (*Gower vs. Moore*, 25 Maine, 15, 18.) "The holder cannot assume the right to decide that his performance of the condition will be of no service to the indorser, and thus put that matter in issue, to relieve himself from the performance of the condition imposed upon him by law. The various relations which the parties, whose names are upon negotiable paper, sustain toward other persons, whose names are not upon it, cannot be anticipated. The real debtors, who may feel obliged to pay, may not wish to exhibit themselves as such. A deceased party may, possibly, have held a contract of some responsible person to pay in case the note should be duly presented for payment. So may an indorser. To hold an indorser liable, and yet deprive him of the benefit of such a contract, could not be justified. It is best for a commercial community that the rules be simple, subject to few exceptions, and not liable to be varied to meet the apparent injustice of particular cases."

If, however, we were not satisfied with the reason upon which a generally recognized rule of commercial law might be sustained, the consideration that it had been so recognized and adopted, as shown in the standard works on this subject, which have been the guide of the profession and of the mercantile community for a number of years, would make a departure from it injudicious. It is not enough to justify such a course, that no adjudicated case, binding as an authority upon the question, can be found. "How much of the known and admitted law of this country, in which the books abound, and by which the courts are guided, would be struck out and cease to rule us, were all struck out on which no decision has ever been formally pronounced. A doctrine may be without any decision to support it expressly, because it has never been decided; it may rest on no cases, but on the common understanding of the profession, precisely because it has never been brought in doubt." (*O'Connell vs. The Queen*, 11 Cl. and Fin., 155-335, Lord Brougham.) It is far safer to be governed by such evidence of the rule of law, as we have in the present case, than to attempt to deduce from general principles a new rule; and it is our "duty to administer the law according to the evidences of it which are to be found in the authorities, and in the recognized practice of the profession." (1 Keen, 369, 370; 1 Bligh, 339-455.)

There is another consideration upon a question of this kind entitled to great weight. It is the importance of uniformity in the rules of commercial law. It was this consideration which induced our Supreme Court to overrule its own decision upon an important question, and to follow a rule established by the Supreme Court of the United States. It was not, our Supreme Court said, "a question of local law, springing from our own

fountains of jurisprudence, only, but a general commercial principle, resting on broader foundations, which ought to be uniform among all civilized nations." (*Penn vs. Protection Ins. Co.*, 11 Ohio, 147-171.) "It is of the utmost importance that all rules relating to commercial law should be stable and uniform. They are adapted for practical purposes, to regulate the course of business in commercial transactions." (*Wallace vs. McConnell*, 13 Peters, 136-150.) "A rule of the commercial law, when once settled, ought not to be disturbed, even though the reason of it may be justly questioned. Uniformity of decision is of more importance, in such cases, than accuracy of reasoning." (*Hallett vs. Cols. Ins. Co.*, 8 Johns., 273-276; *Saltus vs. Ocean Ins. Co.*, 14 Johns., 138-142.)

These considerations, we think, authorize and, indeed, require us to follow the rule which makes it necessary to charge the indorser, that there should be a presentment at the dwelling-house of a deceased maker of a note, where no executor or administrator has been appointed or qualified; and we regard this rule so far settled, as to make it unnecessary that we should offer any reasons to sustain it, and that any reasons we might point out as showing the rule not to be a good one, would not justify us in refusing to recognize its obligation. There having been, therefore, no sufficient presentment on the maker in this case, there ought to be a judgment for the defendant; and the case will be remanded that it may be so entered.

SEWING MACHINES.

THEIR ORIGIN AND PRINCIPLES.

To Americans is due the honor of being the first inventors of mechanism, as well for performing the drudgery as for elaborating the refinements of "*Seamstressy*." Sewing machines, although a recent invention, have deservedly become of paramount importance. They are destined to eliminate many obstacles to woman's development and influence. Their manufacture is carried on by improved machinery in large factories especially devoted to that purpose, and consequently many of the machines themselves are, as pieces of mechanism, of the most perfect construction. They differ greatly, however, both in the character of stitch and the method of making it.

The varieties of stitches now made are the "single thread loop-stitch," the "double thread loop-stitch," and the "lock-stitch." The "single thread loop-stitch," is popularly known as the "chain," "crotchet," or "knitting-stitch." In forming it a loop of thread is thrust through the fabric to be sewed, and held open in such a position that a second loop is thrust through the fabric and through it; and this, in its turn, is held open until a third loop is in like manner thrust through the fabric, and through it. About four and one-half yards of thread are required for one yard of seam. The looping is all performed upon the lower surface of the fabric, so that while the upper surface presents but a single line of thread, the lower surface shows a succession of loops.

The facility with which seams formed by this stitch can be ravelled, and their liability to rip, render them useless for the general purposes of sewing.

The "double thread loop-stitch" is formed by two threads interlocked with each other, and may be described as follows: A loop of the upper thread is thrust through the fabric and a loop of the lower thread is thrust through it. This loop of the lower thread is held open until a second loop of the upper thread is thrust through the fabric and through it, which in its turn is held open until a second loop of the lower thread is thrust through it. A seam is formed by a succession of stitches made in this manner. About six and one half, or seven yards of thread, are required for one yard of seam. The looping is all performed below the fabric, so that while the upper surface of the seam shows a single line of thread, the lower surface presents three lines of thread and a succession of loops and knots, which form a small-cord. This is objectionable where both sides of the seam are to be visible, or are exposed to the action of the smoothing iron, or other wearing surfaces, the ridge being broken, the seam is of course destroyed. The accumulation of thread upon one side causes the seam to pucker when dampened. This stitch, like the "single thread loop-stitch," is subject to the defect of ravelling.

It is also the least economical of all in the use of thread, requiring about twice and one-half the length of thread used in forming the "lock-stitch." The ordinary expense for cotton thread per day, upon a "lock-stitch" machine, in a manufactory, is from twenty-five to fifty cents; in using silk the expense is proportionally greater. The comparative expense of running machines consuming twice and a half the length of thread, can be readily determined.

The mechanism for making this stitch cannot be intelligibly described in the space that we have allotted this subject.

"The double thread lock-stitch" is made with two threads, one above and the other below the fabric sewed, and interlocked in the centre of it. It is the only stitch that cannot be ravelled, and that presents the same appearance upon each side of the seam, a single line of thread extending from stitch to stitch. From two and one-half to three yards of thread is a fair average for each yard of seam. A use of twelve years has demonstrated its excellence for the general purposes of sewing.

The original patentee of this stitch used in making it an eye-pointed needle in combination with a shuttle; and this mechanism is now employed by some in making it. A loop of the upper thread is thrust through the fabric by the needle, and through this loop the shuttle is passed, carrying a line of the lower thread. The needle being withdrawn, the two threads are interlocked, and the point of interlocking is drawn into the fabric. The shuttle employed is about two inches long, and moves forward and back its entire length at each stitch. This reciprocating motion requires considerable power, and hence involves heavy, noisy, and cumbersome machinery. It has some excellencies for heavy work, but all attempts to adapt it to fine work have confessedly depreciated it.

The latest invention of importance, is that of A. B. Wilson, of the Wheeler and Wilson Sewing Machine Company. This machine makes the "lock-stitch," but by a mechanism materially different from the shuttle sewing machines. The loop of thread on being thrust through the fabric

by an eye-pointed needle, is entered by a rotating hook of a singularly novel and ingenious construction, enlarged and carried around a circular metallic bobbin containing the lower thread. The two threads are thus interlocked, and the point of interlocking is drawn into the fabric. In thus substituting the rotatory motion of the hook for the reciprocating movement of the shuttle, power is greatly economized, and noisy and cumbersome machinery avoided. The bearing and friction surfaces are so light that the driving power is merely nominal. The machine is moreover adapted to the lightest materials, and its range is thence to the heaviest fabrics. Instead of the zig-zag appearance of the shuttle-stitch, lying somewhat loosely upon each surface of the fabric, a seam is formed of stitches lying in exact succession in a right line, and sufficiently buried in the fabric to prevent immediate wear. Much of this excellence is due to the "feed" invented by Mr. Wilson. The feed is that part of the machine by which the fabric is moved forward and the length of stitch regulated. The length of stitch is varied at pleasure, but when once set is of unvarying uniformity.

Various attachments are applied for special purposes. The latest is the Hemmer, an attachment of such a character that hems of any width are stitched without any previous turning or basting. It indeed combines all the valuable devices for sewing that have been invented. Its principles have been elaborated with great care, and it involves all the essentials required in a family sewing machine.

"The machine is mounted upon a neat work table, and driven by sandal treadles and band. The operator seats herself before the table, on which the machine is placed, with her feet upon the sandals. The threads being adjusted, the machine is touched into motion by a gentle pressure of the foot upon the sandals, and the cloth, as sewed, is moved forward from left to right.

"There is no limit to the number of stitches that may be made in any given time. The driving-wheel is graduated ordinarily so as to make five stitches at each tread, so that from six hundred to one thousand stitches per minute are readily made. The amount of sewing that an operator may accomplish, depends much upon the kind of sewing, and her experience. Fifty dozen of shirt collars, or six dozen of shirt bosoms, are a day's work. Upon straight seams, an operator with one machine, will perform the work of twenty by hand. On an average, one probably performs the work of ten seamstresses. The parts at all subject to wear are made of finely-tempered steel; the other parts of the machine are tastefully ornamented, or heavily silver plated.

"It is applicable to every variety of sewing for family wear, from the lightest muslins, to the heaviest cloths. It works equally well upon silk, linen, woollen, and cotton goods; seaming, quilting, hemming, gathering, and felling,—performing every species of sewing, except making button-holes, stitching on buttons, and the like. Thousands of these machines are used by housekeepers, seamstresses, dressmakers, tailors, manufacturers of skirts, cloaks, mantillas, clothing, hats, caps, corsets, ladies' gaiters, umbrellas, parasols, silk and linen goods, with complete success; sometimes from one hundred to two hundred are used in a single manufactory."

MONEYS OF ACCOUNT.

By authority of the British Parliament, a commission was appointed on the 1st November, 1850, to inquire into the expediency of introducing the principle of decimal division into the coinage of the kingdom. The three commissioners for this purpose, were LORD MONTEAGLE of Brandon, LORD OVERSTONE, and JOHN GELLIBRAND HUBBARD, Esq.

As far back as 1816, a similar commission had been appointed, consisting of Sir JOSEPH BANKS (President of the Royal Society), Sir GEORGE CLERKE, Mr. DAVIES GILBERT, Dr. WOLLASTON, Dr. THOMAS YOUNG, and Captain KATER. The main purport of this inquiry, was "to consider how far it might be practicable, or advisable, to establish a more uniform system of weights and measures."

In 1824, the late Sir John Wrottesley, afterwards Lord Wrottesley, brought before the House of Commons a motion for inquiring into the applicability of the decimal scale to coins. This motion was opposed by Mr. Wallace (afterwards Lord Wallace), the Master of the Mint.

A third commission was appointed in 1843, at the head of which was Sir J. F. W. Herschel, the Astronomer Royal. On the 27th April, 1847, the matter was again brought before Parliament, on motion of Sir John Bowring.

On the 12th of April, 1853, on the motion of Mr. William Brown, M. P., a select committee was appointed to report upon a decimal system of coinage. In June, 1854, an association was formed under the name of the Decimal Association, with the object of promoting the adoption of the decimal system in money, weights and measures. This commission made an elaborate report, dated 4th April, 1857.

From this report, containing ample testimony in favor of the decimal currency for Great Britain, the details of which are of little interest to American readers, we copy the following information as to the changes in the moneys of account of—I. The East Indies; II. France; III. Canada; IV. Sardinia; V. Belgium; VI. Switzerland; VII. Lombardy; VIII. Two Sicilies; IX. Tuscany; X. Netherlands; XI. Portugal; XII. Russia; XIII. Greece.

I. For the East Indies, an act was passed on the 17th of August, 1835, establishing a uniform currency, viz., a rupee to be denominated the company's rupee, a half rupee, a quarter rupee, and a double rupee; the weight of the rupee to be 180 grains troy, and the standard, 11-12ths, or 165 grains of pure silver, and 1-12th or 15 grains of alloy. The gold coins to be, a gold mohur, or 15-rupee piece, of the weight of 180 grains troy; a 5-rupee piece, equal to a third of a gold mohur; a 10-rupee piece, and a 30-rupee piece, or double gold mohur.

II. In France there is no special money of account. The real money is also money of account. The monetary unit is the franc. French moneys are subjected, in these divisions, titles, and weights, to the metrical systems of weights and measures. The change took place in 1793. According to the law of 7 Germinal, an XI. (28th March,

1803), 5 grammes of silver, of 9-10ths pure silver, constitute the franc, the monetary unit. By a decimal scale, it passes to the figure 10 and 100; which, divided by 2 and by 5, only divisors of 10, give the pieces of 50 and 20 francs, of 5 and 2 francs. But, in descending, there are the 10th and the 100th part of a franc, called decime and centime, their division by 2 and 5 giving 50 and 20 cents, and 5 and 2 cents. The decimal division of the franc comprises, therefore, only the pieces of 1, 2, 5, 10, 20, and 50 cents. Afterwards there are the franc and its decimal multiples of 2, 5, 10, 20, 50, and 100 francs. The pieces of 1, 2, 5, 10 cents, are in bronze; the pieces of 20 cents, and that of 50 cents, the franc and its multiples, 2 francs and 5 francs, are in silver. The gold pieces are, pieces of 100 francs, of 50 francs, of 20 francs, of 10 francs, and 5 francs.

In France, the proportion of gold to silver, is 15.5 to 1; of gold to bronze, of 310.0 to 1; of silver to bronze, of 20.0 to 1. In England, gold is to silver, as 14.28 to 1; in Belgium, as 15.79 to 1; in Spain, as 15.75 to 1; in Portugal, as 15.48 to 1; in Russia, as 15.00 to 1; in the United States, as 15.98 to 1. The decree of convention, of 1st August, 1793, founded the decimal system of weights and measures on the measure of the meridian of the earth.

III. In Canada the legal value of the dollar is 5s., and half-dollar, 2s. 6d. The denominations of money in the provinces are regulated as pounds, dollars, shillings, pence, cents, and mills; the dollar is 1.4th of a pound; the cent, 1-100th of a dollar, and the mill 1-10th of a cent. The copper penny of the United Kingdom passes for 2 cents, the copper half-penny for 1 cent. Accounts are kept in Canada or Halifax currency. The pound currency is usually considered as equal to 18s. sterling, and the relative value as 10 to 9, but the Currency Act of 1842 declares the pound sterling equal to £1 4s. 5d. currency, or 16s. 5½d. sterling. Army sterling is at the rate of 4s. 2d. per dollar of 5s.

IV. In Sardinia, the lira, or franc, is the money of account. The lira is divided into 100 cents. The value of the lira is about 10d. sterling, and of the centime, 1-10th of a penny. The change was made when Piedmont was annexed to France in 1793. In the Duchy of Genoa, however, and in the island of Sardinia, the decimal system was not finally introduced until the years 1827 and 1843 respectively; and in the island of Sardinia the old coins are still current, at a rate fixed by law. The decimal division of weights and measures followed the decimal division of money, but at a long interval. By the law of 1845, the adoption of the metrical system, pure and simple, was fixed to take place throughout the monarchy from 1st January, 1850.

V. In Belgium, the money of account is the franc. The first decimal monetary system introduced in Belgium, was the French system, rendered obligatory by the law of 17 Floreal, an. vii. (6 May, 1799), and by decree of 26 Vendemiaire, an. viii. (18 October, 1799). The decimal system of the Netherlands was introduced by the law of the 28th September, 1816, and applied immediately to all public and private accounts. The present system, which is a restoration of the French decimal system, was fixed by the law of 5th June, 1832, and rendered obligatory from the 1st January, 1833. The following is a comparison of value of the coins of Belgium and the United Kingdom:—

Silver coins of	5	francs,	equal to	3	shillings	10.9300	pence sterling.
"	2½	"	"	1	"	11.4650	"
"	2	"	"	1	"	6.7720	"
"	1	"	"			9.3860	"
"	50	centimes,	"			4.6930	"
"	20	"	"			1.8772	"
Copper coins of	10	"	"			0.9386	"
"	5	"	"			0.4693	"
"	2	"	"			0.1877	"
"	1	"	"			0.0939	"

The French decimal system of weights and measures is in force; but in practice the old weights and measures are still in use.

VI. In Switzerland, the money of account is the franc, divided into centimes or rapps. The federal constitution of the year 1848, divested the cantons of their authority in monetary affairs, put it into the hands of the federal authority, and demanded a monetary reform. The new federal law on money dates 1850, and the execution of the monetary reform took place in 1851 and 1852. The weights and measures are based upon a mixed system; decimal and duodecimal weights are not divided decimally; measures are.

VII. In Lombardy, the money of account is the Austrian lira; its silver and money value (*zahlwerthe*) is computed according to the standard of convention, or 20-gulden standard; one gulden is equivalent to three Austrian lire, and hence the lira contains 1-60th Cologne mark fine silver. The lira is divided into 100 centesimi; 1 Austrian lira is worth 8.258 pence; 1 Austrian centesimo, 0.082 pence. The change of money was effected in the year 1823.

At the commencement of the century, during the period of the Italian monarchy, there was introduced, together with the decimal system (*lira Italiana*), the metrical (French) standard for weights and measures, which is still in force.

VIII. In the Two Sicilies, the money of account is the ducat, carlin, and grain. The ducat is equal to 10 carlins, the carlin is equal to 10 grains, and the grain is equal to 10 calli. If the exchange were calculated at 600 Neapolitan grains to a pound sterling, British, which was formerly considered to be the rate of exchange, the ducat of 10 carlins would be equal to 40 pence, and the grain to about $\frac{2}{3}$ of a penny; but as the par of exchange is now considered to be of 578 for a pound sterling, the ducat would be worth $41\frac{1}{2}$ pence, and the grain somewhat higher in proportion. The silver coin consists of dollars, commonly called piastres, of 12 carlins, or 120 grains. The dollar is equal to 4s. 8d.

IX. In Tuscany, the money established by law for keeping accounts should be florins, divided into 100 cents; but accounts are kept in lira, soldi, and denari, of which 20 soldi make 1 lira, and 12 denari one soldo. The lira is reckoned at par eight pence. The partial change took place in 1826. Weights and measures are not divided decimally.

X. In the Netherlands, the money of account is the florin or guilder, cents, and half-cents. One florin contains 100 cents, or 200 half-cents.

The florin, estimated at the par of exchange of 12 florins to the pound sterling, is equal to one shilling and eight pence. The change took place in 1822. Weights and measures are divided decimally, and had preceded the decimal division of money several years.

XI. In Portugal, accounts are kept in reis, with the following rotation: 1'000 : 000 \$000 (one thousand contos or millions of reis), the symbol \$ following the place of thousands; a colon (:) the place of millions (contos); and a period (.) the place of thousands of millions. The rei is the lowest unit. In ordinary language, a milreis (1 \$ 000) and a conto (1 : 000 \$ 000) are spoken of; but these words, mil and conto, are also used as numerical nouns. No other denomination of money of account besides that of reis is practically used in recording payments and receipts; but in expressing them it is usual, where the amount is less than a moidore (4 \$ 800), to state them in cruzados (\$ 400), cruzados novos, or pintos (\$ 480), quartinhos (1 \$ 200), testoons or tostones (\$100), and vintem (20 reis). Larger amounts are expressed in the moidore and its multiples, and sometimes in pounds sterling (libras, at the rate of 4 \$ 500). The value of the moidore is £1 1s. 3d.; of the lowest, five reis, four-fifteenths of a penny. In recording payments and receipts, the rei, four seventy-fifths of a penny, is the only unit. The coin of lowest value in common use is the piece of five reis. The change of money is not yet completely carried out. It was originally enacted by law bearing date 24th April, 1835; and subsequent laws passed on the 15th February, 1851, and 29th July, 1854, on the subject of new coins, followed the same principle of decimal division. By the law of 13th December, 1852, the French metrical system of weights and measures was introduced, but the coinage was not affected. The weights and measures actually in use are not divided decimally. It is, however, provided by law that the French metrical system shall be established, and this measure is to take effect at the close of the year 1862.

XII. In Russia, the unit is the silver ruble divided into 100 parts, called copecks; each copeck is subdivided into half-copecks and quarter-copecks. The ruble is worth 37 to 39 pence. The change of money took place in 1840. Weights and measures are not decimally divided.

XIII. In Greece, the money of account is the drachme divided into 100 parts, called lepta. The value of the drachme is 8½d. (say 8·53d.), and that of the one lepton piece is about one-third of a farthing, being the $\frac{1}{3 \times 1 \frac{1}{2}}$ part of a pound sterling. The change of money was made on the 8th February, 1833. A new decimal system of weights and measures was decreed by a royal ordinance, dated the 18th September, 1836, but this has never been carried out, and all commodities are bought and sold by the old Turkish measure and weight.

In the United States of America, the money of account was established as the dollar, first by resolution of Congress under the confederation, dated July 6th, 1785, and subsequently under the present constitution, by the Act of April 2d, 1792, organized by the Mint. The dollar is divided in silver into half-dollar or fifty cent piece, quarter-dollar, dime or ten-cent piece, half-dime or five cent piece, and three-cent piece. In copper the cent and half-cent. In general terms, there are but two denominations of money of account, the dollar and cent. Below the cent it is not reckoned in mills and decimals, but

in binary fractions of a cent. Sugar and cotton, for example, will have their prices named not in cents and mills; but in cents, and halves, fourths, eighths, or sixteenths per pound. Above the cent it is counted by multiples of a cent up to the dollar. It is not said one dollar eight dimes seven cents five mills; but one dollar eighty-seven and a half cents. In legal enactments, however, the fractions of a cent are usually expressed in mills or decimally. The custom still obtains in many, if not most, of the older States of the Union, of expressing small prices colloquially in shillings and pence. This custom is continued apparently only in consequence of the retention in the circulation of the small fractions (fourths, eighths, sixteenths) of the Spanish dollar. These pieces had, before the establishment of the present currency, been very generally introduced into the country, and were circulated at a customary valuation expressed in shillings or pence of the colonial currency. The eighth of a dollar or real was named in New York and North Carolina as a shilling, in South Carolina and Georgia as seven pence, in New Jersey, Pennsylvania, and Maryland as eleven pence, in the New England States and Virginia as nine pence.

With the retention of the coins, which has been partly due, perhaps, to their expressing binary divisions of the dollar, to which the popular mind appears to attach itself, the old names are still retained. It should be observed, however, that these names have no association with any pound of account, of which they are constituents, but only with the dollar, to which alone they have relation; the words shillings, eleven pence (or levy), nine pence, seven pence, as used in different States, being now but cant terms, expressing an eighth part of the unit or dollar. In book-keeping and account, prices indicated in this way are always carried out in cents or fractions, that is, as $12\frac{1}{2}$ or $6\frac{1}{4}$ cents for the eighths and sixteenths respectively.

Assuming gold as the basis of comparison, and the sovereign and dollar to be conformed to their respective legal standards of weight and fineness, the dollar is equal to 49.316 pence, or, not carrying the fraction to a great nicety, to 49.3; and hence the cent is equal to 0.493 pence, or very nearly a half-penny, the mill to 0.049 pence. This gives one pound sterling, \$4.86656. No decimal weights and measures are provided by law.

(Those who wish to examine the Report more fully will find it contained in the "Annals of British Legislation," edited by Leone Levi. London: July, 1858. Ed. B. M.)

British Association.—At the recent meeting of the British Association for the Advancements of Science, Dr. Batement read a paper "On the Investments of the Laboring Classes," pointing out the various objects in which such savings are invested, particularly Benefit Societies and Savings Banks. He threw out some suggestions for the improvement of both these sources, and strongly insisted upon Government either giving up their dealings with the money lodged in the Savings Banks, or taking upon itself the responsibility of such institutions, and not leaving the persons who had invested their small savings liable to great loss, as had been the case in the instance of the Rochdale Savings Bank and some others. The working classes of this country had undoubtedly saved much money—more indeed than many of the other classes gave them credit for; and they ought to be encouraged in provident habits and forethought so that they might save more by the means of investment for their savings being made both safe and adequate. Professor Alexander, of Baltimore, Agent of the U. S. respecting Weights and Measures, was present.

RAILROAD STATISTICS.

French Railroads.—The imperial government, as is well known, has long favored the amalgamation of the leading lines of railroads in this country, and is well satisfied to see them reduced to five or six companies, enjoying an immunity from that private and public competition which has often proved so fatal to railway enterprises elsewhere. But the French railways, though undoubtedly the best established, the most remunerative, and, upon the whole, perhaps, the best administered in the world, have not been allowed to gain their present position and privileges without paying some equivalents. In return for its patronage and protection, the government has imposed the condition of carrying out and completing a vast number of branches, of great service and benefit to the localities through which they pass, but by no means certain to be remunerative for the amount of capital expended on them. To carry on these works, the companies have been compelled to issue their *obligations* (bonds or debentures) in a continuous stream, chiefly through the intervention of the Bank of France, which at their request, undertook to negotiate 240,000,000 worth of their securities, making advances the meanwhile, from time to time, to the companies. The effect of this state of things has been, in the first place, to keep the public stocks at their present low figure, by daily feeding the market with the issue of these railway bonds, and in the next place, to cause the credit of the companies to become seriously affected, both by the redundancy of their paper in the market, and also by the apprehension of the public that the numerous branch lines which they are compelled to construct would tend to any thing rather than to increase the dividends of the shareholders. Under these circumstances, the railway companies have been, for some time past, appealing to the administration for the modification of a contract of which they profess to find the conditions too hard for them; and an agreement for their relief appears to have been at last come to with the Minister of Public Works. The course adopted seems, in fact, to amount to a guarantee of 4 fr. 68c. per cent. on the part of the government. That is to say, a dividend is to be paid first at the rate of the last returns of profits per *kilometre*, and the residue is to be applied to working expenses. If there be more than sufficient for the latter, the supplies will go to increase the dividend; if less, then the government steps in to make up the deficiency to the extent of 4 68 per cent. In addition to the above arrangement, it has been decided that no more railway paper shall be negotiated daily by the Bank of France. One hundred and sixty-five millions of *obligations* have been already so issued; the remaining seventy-five millions are to be issued at once, and the money raised by public subscription, as in the case of the State loans during the war.—*Paris Cor. Phil. North. Am.*

Accidents on English Railroads.—The British Board of Trade Report, by Captain Galton, on railway accidents for the year 1857, has been issued, and from it we learn that in the year, 25 passengers were killed and 631 injured, "from causes beyond their own control." These are all the real

railway accidents in the year in Great Britain. There were others—such as from suicide, trespassing, &c.—but they cannot properly be placed against the account of railways.

The 25 railway accidents in 1857 occurred mostly on English railways. Of the 25, as many as 24 occurred in England, and of these exactly half, 12, were killed in one accident, namely, the Lewisham accident on the South Eastern Railway. One passenger was killed on Scotch railways. "In Ireland," reports Captain Galton, "there were no passengers killed or injured from causes beyond their own control." On most of our railways in England no fatal accidents have occurred. The South Eastern have had to pay a pretty penny for the Lewisham accident, for Captain Galton informs us that, "the compensation alone in the case of the Lewisham accident on the South Eastern Railway amounted to £25,000." £25,000 in compensation for one accident!

The figures following will show how infinitesimally small is the number of fatal accidents to passengers in relation to the number of passengers carried:

Years.	No. of Miles Railway open.	No. of Passengers Conveyed.	No. of Passengers Killed.	Proportion of Killed to Carried.
1850.....	6,326	72,854,422	12	1 in 6,071,202
1851.....	6,755	85,391,695	19	1 in 4,494,268
1852.....	7,113	89,135,729	10	1 in 8,913,572
1853.....	7,488	102,286,669	36	1 in 2,841,296
1854.....	7,842	114,358,888	12	1 in 9,529,907
1855.....	8,175	118,595,134	10	1 in 11,859,513
1856.....	8,499	129,347,592	8	1 in 16,168,449
1857.....	8,900	no returns.	25	.....

The proportion of passengers killed to passengers carried, will probably be found to be, when the calculation can be made, about one in 5,200,000 in last year; one passenger killed for every 2,500,000 carried. Bad, therefore, as 1857 has been for accidents, it is better than 1851 and 1853. We have seen how it is that the number killed is so high as 25 persons. We might say that one casualty caused the excess. Nearly all the accidents occurred "from accidents which happened to trains." The suggestion of Captain Galton, contained in the paragraph we now quote, is worthy of consideration:

"Having regard to all the circumstances of this intricate question, it appears that the only practicable mode of obtaining a diminution of railway accidents would be to endeavor, by means of a more satisfactory investigation into the causes of the accidents, to obtain a more sure and just action of the law by which compensation is awarded. This would probably be best effected by causing a public inquiry to be made into the circumstances connected with every accident attended with injury to passengers or loss of life, and by an immediate publication of the report, showing the causes of the accident. The necessary tribunal might be constituted in a similar manner to those which inquire into accidents to ships under the Merchant Shipping Act, viz.: by two justices or a stipendiary magistrate, and an inspecting officer of this department as assessor."

The clear knowledge of the causes of accidents would save much useless litigation by claimants for compensation; and the shareholders and the public would obtain an impartial account of the circumstances which led

to the accident, immediately after their occurrence, which would tend materially to diminish mismanagement.—*Herapath's London Railway Journal*.

Austrian Railways.—A statement of the Austrian railway, *Francois-Joseph*, appears in the report of the first general meeting of shareholders. The information was supplied by M. Etsel, the engineer. The lines are as follows :

1. Vienna, Oedenburg, Steimanger to Kanisa, 28 miles. 2. Pragerhof to Kanisa, 15 miles. 3. Uj, Szony (Comorn), Stuhlweissenburg to Ofen, 19 miles. 4. Kanisa to Esseg, 24 miles. 7. Esseg to Semlin, 22 miles. Total, 157 miles. Each inspecting engineer to have from 15 to 20 miles. Engineers of "section" (resident engineers) to have five to superintend directly. An administrative inspector, or "travelling director," is stationed with each inspecting engineer. The state of the staff at the end of 1857, was as follows: Travelling directors, 13; inspecting engineers, 12; ditto for surveys, 7; ten working "sections," 86; five surveys ditto, 22; total, 140. When the first group is in fair way of construction, the staff will be increased to 180, of whom 36 will belong to the secretary's department. The state of the work is as follows:—From Petau to Kanisa the first lot was contracted for on the 9th of December. Three other lots and the bridge over the Mur, near Callori, followed soon after. The other contracts will be put up for competition very shortly. The company treated with an English house for 650,000 cwt. of rails, at 6 florins 30 kreutzers per cwt.; and they attribute to the Indian war and the late crisis the low price, in spite of which the rails are proved to be of the best quality. They calculate that they have saved two million florins by this favorable bargain. Fifty locomotives are ordered at the government workshops at Vienna, and thirty at Esslingen, at an average rate of 30,500 florins, duty included.

Cuban Railroads.—While we are very watchful of the progress made by our fellow-citizens in the construction of railroads, we should not forget what has been done and is now doing in Cuba in the same line of operations. The following extracts from letters to the "*Savannah Republican*," from their Havana correspondent, furnish us reliable information as to the progress of affairs in Cuba :

The Bay of Havana and Matanzas Railway was recently opened with great ceremony to Guanabaco. His Excellency the Captain-General and suite were present, and also the Right Rev. the Bishop of the diocese. As on all public occasions in Cuba, there was a great display of the military. The steam ferry-boats connected with the line, which ply from this city to Regla, were gaily decorated with flags and streamers, as was also the railroad depot at Regla—nor could I avoid observing the stars and stripes floating nobly among the rest from the pretty ship Riga, of Marblehead, which was at her berth alongside the company's wharf.

On the 17th August, His Excellency, the Captain-General, accompanied by General Manzano, Segundo Cabo, Brigadiers Eschavarria, the political governor of this city, the director of public works, Don Domingo and Don Miguel Aldumer, and several other gentlemen, embarked in a special train of the Havana and Gaines Railway, to inspect a new iron bridge that has been erected for the purpose of the railway, over the river Almendares. The bridge is upwards of seventy feet in length, and is a light and elegant, yet strong structure.

Railroad Injunction.—The Philadelphia *Ledger* states that the city of Wheeling has issued a writ against the Baltimore and Ohio Railroad Company, requiring it to show cause why an injunction should not be issued at the instance of the city of Wheeling, restraining the said Baltimore and Ohio Company from paying out any more of its funds in behalf of the North-western road, or from working that line. It appears that the city of Wheeling feels aggrieved on account of the Baltimore and Ohio Railroad taking the control of the North-western Virginia road, by which operation the former is not prepared to make dividends on the stock—some \$500,000 of which is held by Wheeling. It is well known that the North-western Virginia road is a losing concern, which loss the Baltimore and Ohio road has to foot. The Baltimore *Patriot* says this will “be a trial of great interest, as it will open the question of the right of our road to take the N. W. Virginia road on the condition it has; how far the directors, as individuals, are liable for non-payment of dividends in consequence; what has become of the 30 per cent. extra dividend, declared eighteen months ago; whether the interest of \$400,000 in the Ohio Central is legally invested,” &c., &c. It is intimated by the Baltimore and Ohio Railroad Company that an injunction to stop the working of the North-western road would not be objected to.

Damages.—The Maryland Court of Appeals, in the case of the Baltimore and Ohio Railroad Company *agt.* Wm. Damborn, has decided that railroad companies in that State are *not responsible* for injuries done to cattle and stock by their cars, in any case in which such cattle, &c., are on the railway tracks through *any negligence or fault* on the part of the *owners of them*; that the owner of cattle is bound to keep them in an inclosure or in custody at his peril; for every entry by them on another's possession is a trespass, and this law applies as well to the intrusion of cattle and horses upon the land over which a railroad company is entitled to its franchise as to the property of a private owner. Similar decisions have been made in nearly all the States of the Union, where the question has arisen in these courts.

Railroad Grants.—The Secretary of the Interior has just given two important decisions relative to railroad grants. One of these refers to the railroad from “Madison, by way of Portage City, to St. Croix lake or river,” and the question decided is, that the refusal of the Governor of the State to certify to the completion of sections of twenty continuous miles of the road, will not be a basis of action with the Department, in depriving the company of the benefits of the grant, until ten years after the passage of the law making the grant.

Also, that the certificate of the Governor to the completion on the accepted route of any section of twenty continuous miles of the said road, will be received and filed by the Department, and entitle the Company to the benefits of the grant of land made to the State for the construction of said road.

The other decision refers to the St. Croix and Lake Superior Railroad, from St. Croix river or lake to the west end of Lake Superior and Bayfield. The decision is, in this instance, that in the event of a refusal of the Governor of the State to give a certificate recognizing the route of the said road, there must be a delay in the enjoyment, by the Company, of the benefits of

the grant of lands made for the construction of said road; and that the General Government, in consideration of said refusal and delay, is not warranted in withholding the lands from market to await an adjustment of the dispute between the State and Company. This is especially the case when it is remembered that citizens of the State are urging the General Government to restore to market the lands reserved by the grant for the uses of the road.—*From the Washington Star, Aug. 5th.*

Railroad Express Business.—The New York and Erie Railroad Company have, after a fair trial, abandoned their express business. It is now done by the Express Company, as it was previous to the Railroad Company undertaking it themselves. No reasons are publicly assigned for the step. Mr. Moran stated at one of the conventions of the Railroad Companies, that he believed it bad policy for the Railroad Companies to do this business themselves. It is supposed that the Railroad Company were desirous of avoiding the great risk attendant upon the transportation of moneys, there being no adequate profit for the trouble and risk. The bankers on the line of the Erie road are particularly pleased with the new arrangement.

Mr. P. G. Van Winkle, President of the North-western Virginia Railroad, states that Mr. Powel, the representative of the British Stockholders in the Marietta Railroad, has returned from Europe from a successful negotiation for a loan of money wherewith to build the connection between Parkersburg and Marietta, and place the road in good order. The loan, it is said, amounts to nearly \$300,000. This, when finished, will make the connection between Marietta and Parkersburg by rail, which is a most desirable object.

Tennessee.—The road commissioner of Tennessee states that there will be more iron laid in Tennessee this year than has ever been laid in any one year; viz:—

The East Tennessee and Virginia Road has laid.....	27 miles.
The Cleveland and Chattanooga will lay.....	30 "
In East Tennessee,.....	57 "
Winchester and Alabama,.....	15 "
Tennessee and Alabama,.....	15 "
Louisville and Nashville,.....	30 "
Edgefield and Kentucky,.....	30 "
In Middle Tennessee,.....	90 "
Mobile and Ohio will lay.....	60 "
Memphis and Ohio will lay.....	25 "
In West Tennessee,.....	85 "
Total in the State,.....	232 "

There are now in active operation in Tennessee, 679 miles of railroad. By the 1st of January next, there will be 875 miles running; and January 1860, the number of miles in active operation will be 1,146.

Railroad Subscriptions.—A suit has been instituted by Maxwell Woodhull, of the navy, against the county of Beaver, for the payment of the interest coupons, upon bonds held by him which were issued by Beaver county to the Pittsburg and Cleveland Railroad Company. This suit is brought in the United States Circuit Court, and will probably come up for trial at its session in this city, in November next.

The amount of bonds issued by Beaver county, to the Pittsburg and Cleveland road was \$100,000, upon which the road agreed to pay the interest, but has failed to do so.

Jasper E. Brady, Esq., is counsel for the plaintiff, and Gen. Wilson and Judge Cunningham, of Beaver, for the defence.—*Pittsburg Post*, Aug. 3d.

The conduct of many of the Western counties and cities in reference to railroad subscriptions is calculated to throw discredit upon all their negotiations hereafter.

Railroad Management in England.—Railways and their management are at present occupying a large share of public attention. The absence of dividends in some lines, and the reduced amount in others, coupled with the great depreciation of the stock in nearly all the leading lines, are arousing shareholders to an active interest in the present system of management, and an inquiry respecting the establishment of a better one. The vast iron reticulation of England has cost upwards of three hundred millions sterling, and it is getting to be very generally admitted that much of that amount has been spent in buildings, &c., of superfluous magnificence, in needless gigantic embankments, in Cyclopean viaducts, in mountain-piercing tunnels, and in costly and elaborate engineering. The work has certainly been done well, and will last for ages; and future generations will derive solid advantages from the capital so employed, but present stockholders will divide proportionally smaller dividends.—*London Cor. Nat. Intelligencer*.

The following is a summary of the August receipts on various railroads this year and last:—

RAILROAD EARNINGS FOR AUGUST.

	1858.	1857.	Decrease.
Pennsylvania Central,.....	432,229	462,911	31,682
Baltimore and Ohio,.....	371,288	448,358	76,069
Philadelphia and Reading,.....	247,068	298,546	51,478
Michigan and Central,.....	176,060	221,353	45,293
Illinois Central,.....	196,484	221,893	25,409
Chicago and Rock Island,.....	81,026	153,849	72,822
Galena and Chicago,.....	122,350	172,465	50,114
C. B. and Quincy,.....	104,587	145,940	41,353
New York and Erie,.....	375,253	530,626	115,373
New York Central,.....	543,190	663,085	119,976
New York and New Haven,.....	72,720	89,247	16,526
Harlem,.....	94,496	98,512	4,016
			Increase.
Michigan Southern,.....	202,461	181,306	21,095
Pittsburg, Fort Wayne and Chicago,.....	147,114	136,716	10,397
Norwich and Worcester,.....	31,571	30,950	920
Buffalo and State Line,.....	71,930	67,582	4,347

Railway Curves and Gauges.—The gauge, or the distance between the rails, on which depends the distance between the wheels of the carriages and engines, and to a certain extent their structure, has recently been a subject of much discussion. It is contended by some that all railways constructed in the same country, ought to have the same gauge; that, though it is not contended that the gauge now in use is the best that could possibly have been adopted, yet that, extensive lines having been constructed with that gauge, more disadvantage will attend any departure from it than could be balanced by any advantages that could attend any other magnitude of gauge. With a view also to insure the public safety, it has been asserted that no curve shall be allowed upon a main line with a less radius than one mile; the exceptions allowed being where one railway passes into another, and at the termini, or the entrance of depots or stations; in such situations the train must slacken their speed, and therefore a sharp curve is attended with less danger. In a course of experiments, however, made by Dr. Lardner, it has been established that curves of a mile radius produce no sensible increase of resistance at the usual speed of railway trains.—*Nat. Intelligencer.*

FRIENDLY SOCIETIES IN ENGLAND.

From the London Times, August, 1858.

THERE is a financial world of which city capitalists know little. Yet it reckons its funds by millions, while the total of persons interested in it comprises more than a third of the entire population of England. According to the annual report just issued by the registrar of friendly societies, the number of these associations now in existence in England and Wales is about 20,000, with funds exceeding £9,000,000. The number of members is more than 2,000,000, and if each member could be taken to represent an average family of five, we should thus have 10,000,000 of persons directly or indirectly connected with such undertakings. For relief in sickness alone they distribute annually £1,000,000. The general statistics with regard to them are vague, because the registrar can merely get returns from those who are willing to make them, and although there is a disposition generally to comply with his requirements, both from a desire to do what is right, and also probably to avert the distrust that would result in cases where publicity is avoided, the secretaries in many cases are uneducated men, and find even the filling up of the simplest form a matter of some difficulty. The information thus far obtained is not very encouraging as to the general system of management, but upon the whole, perhaps, the results of the investments of the poor thus shown are not worse than those which noblemen, members of Parliament, merchants, professed financiers, and speculators have contrived to attain in their management of railways, joint-stock banks, and enterprises of all kinds. As honesty is the great essential, this is not surprising, since there is reason to hope that the ordinary population of the country have greater moral

stamina than the class whose tone was not only developed during the commercial crisis, but is still made painfully apparent at almost every meeting of great companies.

One danger that besets friendly societies is the tendency to drinking and feasting. In the returns of expenditure charges of this kind have constituted a constant item. But there has been a satisfactory disposition to yield to remonstrance on the subject. The registrar last year sent out about 500 circulars, pointing out that such an application of the funds was not in harmony with the legitimate purposes of a friendly society, and from the replies it appears that in most instances a meeting of the members was called, and that, after the point had been discussed, the necessary reforms were made. "The tenor of the letter shows," it is added, "that the majority of the members were thankful for having had their attention called to the subject." Another source of difficulty arises from the frequency of injudicious investments from over-confidence being reposed in persons in the business world. Thus it has been found that a large amount of money has been placed in the hands of the societies' treasurers, of private banks, of brewers and manufacturers, on notes of hand, in building and loan societies, &c. In the accounts of an estate recently thrown into the bankruptcy court, where the parties carried on business as bankers, tanners, shoe manufacturers, and brewers, it was stated that the unsecured creditors included no less than 36 friendly societies for a total of £5,196.

At a meeting of a large firm of brewers held a short time back, it also turned out that 44 societies had their funds invested with the firm, and the same has happened with several late bankruptcies. According to the Act regulating friendly societies, the trustees are restricted to investments in the public funds or savings banks, or in advances to members on life policies, accompanied by satisfactory personal securities; 700 letters recently sent out to give warning to that effect are believed to have wrought a considerable amount of good "by causing the withdrawal of the funds from many very insecure and illegal investments." One of the inquiries issued by the registrar related to the length of time the respective societies have been established, but only 3,073 answers were obtained. From these it appears there are 230 societies that have existed between 50 and 100 years, and 20 whose date extends over a century. The average seems to be about 20 years. About 32 years is stated by the registrar to be a sufficient time for a society to arrive at its maximum liability, and it appears that 10 per cent. of the existing societies are in the condition of having safely passed this point. Among the societies which have the largest number of members, are several bodies called "Orders." Thus, the Manchester Unity of Odd Fellows boasts of 276,254; the Ancient Order of Foresters, 135,000; and the Grand United Order of Odd Fellows, 37,000. One of the most successful examples is the Royal Standard Benefit Society. It has existed 30 years, has distributed £97,363 in sickness, superannuation, and other allowances, and has a capital of £40,623 in government securities. Its creditable career is attributed mainly to the honest and careful superintendence throughout the whole period of Mr. Hunter, its secretary and manager.

A class of societies variously termed sharing, dividend, Birmingham, or Tontine societies, which divide annually nearly all their receipts, are shown to be constructed on fallacious principles, and to have no elements of per-

manence. Out of 50 established in London during the last 20 years only 12 are now in existence. Of the aggregate £9,000,000 belonging to friendly societies, £1,431,543 is in English and Welsh savings banks, and £1,944,991 in the hands of the Commissioners for the Reduction of the National Debt, making the total thus invested £3,736,534. With regard to the winding-up of these societies, the registrar is frequently consulted as to the proper mode, and he details a painful case—that of the Mutual Insurance Benefit Institution, with about 1,000 members, established 40 years ago, in which, although the original tables were certified by well-known actuaries, it was ultimately found that an expenditure of £7,926 for sickness allowances, &c., had been taken out of premiums received for annuities, for sums payable at death, and for endowment of children, the greater part of which will be lost to the contributors.

BANKING IN PARIS

AND FRENCH COMMERCIAL FINANCE.

THE Tribunal of Correctional Police was recently occupied with the affair of M. Prost and the Company of the Caisse d'Escompte. An accountant, M. Pernet Vallier, stated that from an examination of the accounts these facts appeared:—M. Prost formed his company in 1852 with a capital of 3,000,000f., for the purpose of establishing discount banks in the provinces, but in 1853, 1854, and 1855, the statutes were greatly modified. In the first three years the operations were confined to the establishing of discount banks, and in the first year the expenses exceeded the receipts by 54,215f., yet a dividend of 3 per cent. was declared; in the second year the expenses were more than the receipts by 93,623f., yet the same dividend and interest in addition were paid; in the third year the deficit amounted to 122,310f., so that there was a total loss of about 270,000f.

As it was now seen that nothing but loss was to be expected by the discount banks, it was resolved to embark in other affairs. A company called the Banquiers Unis, with a capital of 500,000f., for speculating on the Bourse, was started; Prost was its *gérant*, and its affairs became so mixed up with those of the Caisse d'Escompte that it was impossible to distinguish between them. A journal, called the *Crédit Public*, was then established to support the Banquiers Unis, but it had little influence, and one-half of the *Estafette*, a daily French paper of small circulation, was then purchased. Other operations were also embarked in, and at last, in 1856, a *crédit mobilier* company, called Société de Crédit, was established in Spain with a capital of 103,000,000f. According to a balance-sheet drawn up by Prost for 1856, the fourth year of his operations, his receipts were 556,605f., but in reality there were only 281,505f., and his liabilities were 614,508f., so that the deficit was 333,003f. In the fifth year he launched into still greater speculations; he started the Portuguese Crédit Mobilier, with a capital of 20,000,000f., and the Luxembourg Railway with

one of 35,000,000f. In the railway affair he and the contractor for the works entered into an arrangement by which, in return for advances to be made, he was to receive from the contractor 2,000,000f. of his anticipated profits. In the same year Prost bought ground for building in the 12th arrondissement of Paris, 1,500,000f. being the sum which he disbursed for that purpose; he bought the baths at Enghein for 100,000f., and got up a company with a capital of 2,000,000f. to take them. Next, he published a work called the *Annuaire de la Bourse*, and lost 62,000f. by it; he transformed the Banquiers Unis into a company called Le Crédit Public; he bought a newspaper called *La Vérité* for 245,000f., and transformed it into the *Courrier de Paris*, with a capital, in shares, of 1,500,000f.

At the end of this year the capital of his Caisse d'Escompte was increased from 3,000,000f. to 30,000,000f. For this year his deficit was not less than 1,027,518f.; yet he distributed a dividend of 10f. 25c. per share. He received subscriptions for shares amounting to 8,033,000f., and he himself made a fictitious subscription of 9,000,000f. The statutes of his company declared that the general expenses of establishing the concern should be paid in annual instalments extending over five years, and that the general expenses should be deducted before a balance was struck; but he extended the period from five years to ten, and in the first three years made no deduction at all for general expenses. He thus violated his statutes, and, besides, he did not publish certain modifications in them, which was a violation of the law. He likewise committed other irregularities—thus, in 1856, he distributed a dividend of 10 per cent., though by the statutes he ought only, even if there had been profits, to have given one of 4 per cent. so long as the general expenses were not paid; and by that distribution he took 120,000 francs for himself. In addition, he, by false representations as to the situation of his company, succeeded in getting its shares quoted in the official lists of the Bourse. In 1857 likewise a dividend was distributed from the capital, though the company was notoriously insolvent, its losses being 734,951f.

On the whole it appeared that M. Prost had taken for himself 676,213f. to which he was not entitled, and that on the 31st of May last, according to the accounts drawn up by his own clerks (accounts favorable to him in consequence of many doubtful items being counted as good assets), his enterprises presented a deficit of 10,798,197f. After this statement had been made, M. Prost was interrogated; he denied that he had any fraudulent intention, and alleged that not only the Council of Surveillance, but the shareholders themselves had approved what he had done. The public prosecutor then pleaded against Prost, and insisted that a severe condemnation ought to be pronounced on him. The tribunal then postponed the further hearing of the case to Tuesday.—*Galignani's Messenger*.

Value of Horn-Clippings in the Arts.—In France, Holland, and Austria, the comb-makers and horn-turners use the clippings of horn, which are of a whitish yellow, and tortoise-shell skins, out of which they make snuff-boxes, powder-horns, and many useful and curious articles. They first soften the horn and shell in boiling water, so as to be able to submit them to the press in iron moulds, and by means of heat form them into one mass. The degree of heat necessary to join the horn-clippings must be stronger than that for shell-skins, and it can only be found out by experience.

RAILROAD DECISIONS.

HIBBARD *vs.* NEW YORK AND ERIE RAILROAD CO. *Railroad—Duty of Passengers to show Tickets. New York Court of Appeals.*

THE conductor had once been shown the plaintiff's ticket, and on asking to see it the second time, was assured by a third person that the plaintiff had paid his fare. The plaintiff persisting in his refusal to exhibit his ticket, was ejected from the cars.

It was *held*, 1. That it is lawful for a railroad company to require that persons engaging passage in its cars should show their tickets whenever required by the conductor, on pain of being left to travel the remaining distance in some other way in case of refusal. 2. By the purchase of a ticket, a passenger agrees to conform to all reasonable regulations of the company. 3. Although a conductor may know that a passenger's fare has been paid, he has a right to see the ticket from time to time, in order to be assured that it is not passed over to another person, and thus made the instrument of carrying two persons instead of one.

JOHN DEMESITT *vs.* THE PRESIDENT, DIRECTORS, AND CORPORATION OF THE EXCHANGE BANK. *Circuit Court of the United States. Maine District, April Term, 1857.*

By the act of 1855, ch. 164, it is provided that no action shall be maintained against a bank after the appointment of receivers thereof, and the remedy of creditors, whose claims are disallowed, is before the Supreme Court of the State:—*Held*, that said act can have no effect to defeat the right of action of a citizen of another State, in the Circuit Court of the United States. A State law cannot discharge or suspend the obligation of a contract, though made and to be performed within the State, if it is a contract with a citizen of another State. *Scribner vs. Fisher*, 2 Gray, 43, dissented from.

EUGENE SULLIVAN *vs.* THE PHILADELPHIA AND READING RAILROAD. *In the Supreme Court of Pennsylvania, 1858.*

1. The carrier's contract with his passenger implies, 1st, that the latter shall obey the former's reasonable regulations; 2d, that the carrier shall have his means of transportation complete and in order, and his servants competent.

2. If a passenger be hurt without his own fault, this fact raises a presumption of negligence, and casts the *onus* on the carrier.

3. This being a presumption of fact it is for the jury to determine.

4. *Erie Railroad vs. Skinner*, 7 Harr., 298; 1 Am. Law Reg., 97, explained.

5. It is no answer to an action by a passenger against the carrier, that the injury was caused by the negligence, or even trespass of a third person. The parties are bound by their contract.

HAWLEY *vs.* BALTIMORE AND OHIO RAILROAD CO. *In the District Court of Wheeling, Virginia.*

1. Where an employee enters into the service of a railroad company he assumes the risks incident to such employment, such as the carelessness or unskilfulness of his co-employees, where they were skilful and careful at the time of their employment.

2. In the selection of servants the company is bound, in such case, only to the extent of care which prudent men ordinarily exercise.

3. Where a company is responsible for neglect or carelessness of co-employee.

O'BRIEN *vs.* THE PHILADELPHIA, WILMINGTON, AND BALTIMORE RAILROAD CO. *In the Supreme Court of Pennsylvania, at Nisi Prius, before Woodward, J.*

1. If the plaintiff's injury is attributable in any degree to his own negligence, he cannot recover. 2. Negligence is want of that care which men of common sense and common prudence ordinarily exercise in their employments. 3. If one who is about to cross a railroad at grades on which locomotives run, he is bound to stop and listen, and look in both directions, before he allows his team to set foot within the rails, and an omission to do so is negligence on his part.

Liabilities of Railroad Companies.

1. A railway company, in the prosecution of its lawful business, is entitled to the same protection, and subject to the same responsibilities, as a natural person.

2. The want of skill and caution in the exercise of its privileges, is the true ground upon which to base any right to recover damages for an injury done to another by a railway company while engaged in its lawful business.

3. The fact that cattle are killed by collision with a railway train, at a point where the track crosses a country road, does not render the company responsible for damages, for it has a right to cross the highway, observing proper care and caution to avoid accident.

4. And the owner of the cattle cannot recover in such cases without proving want of skill and caution on the part of the company.

5. The case is much less favorable to the owner, where cattle are killed straying on the track of the company, remote from the point of intersection.

6. The fence law of Virginia does not make it lawful for the cattle of persons in the neighborhood to be upon the track of a railway, unenclosed by a lawful fence, but merely deprives the company of any remedy against the owners of cattle for any damages which may result to the company from their straying on such unenclosed track.

7. In an action against a railway company for damages for killing cattle, the *onus* is on plaintiff to prove negligence and misconduct on the part of the company.

8. It is not sufficient for the plaintiff to show the killing by the company, but it is incumbent on him to show some act of misconduct on the part of the company, to make out a *prima facie* case of injury.

THE SUFFOLK BANK SYSTEM.

- I. *Opposition of the Country Banks to the Suffolk Bank.* II. *New Circular of the Suffolk Bank.* III. *Convention of Country Banks, September, 1858.* IV. *Meeting of Bank Presidents, Boston, October 8th.* V. *Legal Opinion of the Counsel of the Bank of Mutual Redemption.* VI. *Counter View submitted by the Counsel of the Suffolk Bank.* VII. *Final Circular of the Suffolk Bank.*

A CONTROVERSY of some warmth has prevailed in Boston during the months of September and October as to the policy to be pursued towards the Bank of Mutual Redemption, a bank chartered by the legislature of Massachusetts in 1856-7. It is well known that the Suffolk Bank system has been in operation for about thirty years, and that the result has been the adoption of a par currency throughout New England. The system was at first opposed by some of the city banks of Boston, and by nearly all the country banks of New England; but eventually they all came into the measure, with some few exceptions; the result being a firm conviction on the part of the banks and the community that the system was a wise one.

It was supposed by some that the profits to the Suffolk Bank resulting from their business in the redemption of the country circulation were very large; of this we have no means of judging, but it is fully known that the bank has suffered losses to the extent of about three hundred thousand dollars by defalcations of its affairs, prior to the year 1852, together with numerous losses of small amounts in the cash accounts of the foreign money office. Whether this business was profitable or not, the country banks of New England have for some time contemplated the establishment of a bank whose main features were to be similar to those assumed by the Suffolk Bank; and that the profits arising from such operations, whether large or small, should be shared by the banks themselves. The principle was a sound one, and dictated by the immense importance of the redemption at this late day compared with that of 1830-1840. Indeed, the volume of the currency is gradually assuming such magnitude, that we are not surprised at the formation of the proposed bank. The charter was granted by the legislature of Massachusetts in May, 1855. The bank commenced business early in 1858, with a capital of \$512,000.

Of the decided advantages hitherto of the Suffolk Bank system as a financial measure to the community, none, we believe, at this day have any doubt. Its conservative influence has at all times checked extravagant bank circulation in New England, and has led to the adoption of a uniformly sound currency for the people. In the absence of such a controlling power during the last twenty or thirty years, there would have been wild recklessness and insolvency not only among the banks of New England, but also among those of other portions of the country. New York, to this day, has a system, even with the aid of statutes and "revised statutes," far inferior to that created by the voluntary Suffolk Bank system. At this very day the bank bills of the interior of our own State are less valuable

than those of New England, in Wall street—the discount on the former being a quarter of one per cent., while upon the latter the loss is only one eighth. The thirty millions of New England bank circulation are at par throughout every town and village of those States, while, with all the aids of law, we have not yet been able to create a par currency in the Empire State. The merchants and bankers of Boston and the interior cannot, therefore, with these established facts before them, fail to recognize the acknowledged benefits arising to New England and to the whole country from the adoption of this system, nor to extend due praise to its founders. There may have been arbitrary exactions of the iron rule, but no sound banker at this day can fail to concede the importance of a sound currency, and the necessity of enforcing rules established by wise foresight. It would be well if New York, New Jersey, Pennsylvania, and the whole south and west were under equally stringent restrictions.

On the 18th of September the Suffolk Bank issued the following circular, in view of a contemplated convention at Springfield :

SUFFOLK BANK, Boston, September 18, 1858.

In order to avoid misapprehensions with regard to the foreign money department of our business, we desire to present the following statement of our position.

Under an arrangement with nearly all the banks in New England, we receive from them the country money which they have occasion to send to us in the ordinary course of their business; but we discriminate between parties who have acquired a right by agreement to have their country money exchanged by us, and those who have no such right. The special deposit made with us is a consideration for receiving foreign money deposits, but it confers on no individual or institution a right to demand payment at our counter for any bills except our own. The Bank of Mutual Redemption not having made the arrangement with us which is usually made by banks in Boston, of course we can receive no deposits of current bills from that bank.

When a bank withdraws its special deposit, it has no longer any claim on us for services in the way of exchanging money or otherwise. We take their bills or not as we may think proper, and if we take them, we may retain them or send them home for payment at such times and in such manner as to us may seem best. We have reason to believe that the Suffolk system is regarded by a very large majority of the Banks in New England as a valuable institution, but whenever those banks are disposed to relinquish it or to transfer its management into other hands, we shall cheerfully acquiesce. In the mean time it is obvious that only those banks which contribute to its support, are entitled to its benefits.

J. AMORY DAVIS, President.

A meeting of the representatives of the following named banks was held at the Massasoit House, Springfield Mass., Sept. 29, 1858 :

Chicopee Bank, Springfield, Mass.
Brandon Bank, Brandon, Vt.
Westfield Bank, Westfield, Mass.
Greenfield Bank, Greenfield, Mass.
Holyoke Bank, Northampton, Mass.
Conway Bank, Conway, Mass.
Franklin County Bank, Greenfield,
John Hancock Bank, Springfield,
Pynchon Bank, Springfield,
Haverhill Bank, Haverhill, Mass.

Essex Bank, Haverhill, Mass.
Agawam Bank, Springfield, Mass.
Hadley Falls Bank, Holyoke, Mass.
Northboro Bank, Northboro, Mass.
Monson Bank, Monson, Mass.
Thames Bank, Norwich, Conn.
Iron Bank, Falls Village, Conn.
Bank of Norfolk, Norfolk, Conn.
Bank of Brattleboro, Vt.
Bank of Lyndon, Lyndon, Vt.

P. F. Wilcox, Esq., president of the Chicopee Bank, was called to the chair, and F. S. Bailey, cashier of the Agawam Bank, was appointed secretary. The secretary read the names of the following banks which had either withdrawn, or had given notice to withdraw their deposits from the Suffolk Bank of Boston.

MASSACHUSETTS.

Abington, Abington,
Blackstone, Uxbridge,
Lowell, Lowell,
Merchants', Lowell,
Wamesit, Lowell,
Appleton, Lowell,
Mt. Wallaston, Quincy,
Old Colony, Plymouth,
Shelburne Falls,
Spickett Falls, Methuen,
Village, Danvers,
Warren, Danvers,

Worcester Co., Blackstone,
Mechanics', Worcester,
Grafton, Grafton,
Haverhill, Haverhill,
Essex, Haverhill,
Holyoke, Northampton,
Westfield, Westfield,
Pemberton, Lawrence,
South Reading, South Reading,
Grand, Marblehead,
Agawam, Springfield.

NEW HAMPSHIRE.

Souhegan, Milford,
New Market, New Market,
Farmington, Farmington,
Cocheco, Dover,

Dover, Dover,
Langdon, Dover,
Peterboro, Peterboro,
Union, Concord.

VERMONT.

Farmers', Orwell,
Merchants', Burlington,

Bank Newberry, Wells River.

MAINE.

Bank of Maine, Bangor,

Lumbermen's Bank, Oldtown.

RHODE ISLAND.

The banks mentioned below have discontinued their arrangements with the Merchants' Bank, Providence, and are now keeping their accounts directly with the Bank of Mutual Redemption:

Traders', Newport,
Aquidneck, Newport,

Rhode Island Union, Newport,
Newport Exchange, Newport.

The following named banks have concurred in the resolutions passed at the meeting September 10, and will soon give notice.

Hadley Falls, Holyoke, Mass.
Pynchon, Springfield, Mass.
Chicopee, Springfield, Mass.
Franklin County, Greenfield, Mass.
Greenfield, Greenfield, Mass.
Brighton Market, Brighton, Mass.

Newton, Newton, Mass.
Townsend, Townsend, Mass.
Northboro, Northboro, Mass.
Brandon, Brandon, Vt.
Iron, Falls Village, Conn.
Mechanics', Concord, N. H.

After full discussion, the following resolutions were unanimously adopted (the representative from the John Hancock Bank excused from voting).

Resolved, That it is expedient that the banks represented at this meeting, and other banks inclined to sustain the Bank of Mutual Redemption, withdraw their deposits from the Suffolk Bank. Therefore,

Resolved, That all the banks here represented, and such others as may be disposed to act in concert with them, be requested to unite in subscribing to the following certificate.

"In order to the better understanding of our positions respecting the

Bank of Mutual Redemption, the subscribers hereby certify to each other, that the banks which we severally represent either keep no special deposit at the Suffolk Bank, or have given notice preparatory to withdrawing the same, or will give such notice, on or before the 10th day of October next."

[Thirteen of the banks represented forthwith appended their names to the certificate. The remainder had not duly authorized their representatives to act; but assurances were given that their several names will be added to the list, as soon as the respective boards of directors can be assembled to authorize it.]

Resolved, That the course of the Suffolk Bank, in warring upon the country banks which have refused to continue their subsidies to that bank; and in refusing for their bills the specie tendered to them in Boston, and then sending off the bills of such country banks from the point of redemption to their respective counters, merits and shall receive our condemnation, both in expression of opinion and in the direction of our future business.

Whereas the Suffolk Bank has seen fit to refuse to receive the bills of the Souhegan Bank, of Milford, New Hampshire, for the reason that the latter has declined to continue its special deposit with the Suffolk Bank—and

Whereas, the said Souhegan Bank is now ready to redeem its bills in specie at its counter, as well as at the Bank of Mutual Redemption in Boston—therefore

Resolved, That, in the opinion of this meeting, the bills of the Souhegan Bank are entitled to equal credit with the bills of the Suffolk Bank, and that the banks here represented will continue to take the former as they have heretofore done, and also will continue to receive the bills of other banks which may be similarly situated.

Voted, That the secretary be directed to send a copy of the proceedings of this meeting to all banks in New England.

The meeting then adjourned.

An adjourned meeting of the presidents of the banks of Boston was held at the Merchants' Bank, on Friday, October 8th, Mr. HAVEN, of the Merchants' Bank, in the chair; Mr. BEAL, of the Granite Bank, Secretary.

Mr. LAMB, of the New England Bank, presented the report of the committee appointed at a previous meeting to make inquiries into the system of redemption pursued by the Suffolk Bank, and whether any action was proper on the part of the associated banks of Boston sustaining that corporation. The report was strongly in favor of supporting the Suffolk Bank, and expressed great doubts as to the ability of the Bank of Mutual Redemption to fill its place. It concluded with a recommendation to the banks of New England to continue their deposits at the former institution until a change which should unite the banks of New England under one head. The document was signed by three of the committee—THOMAS LAMB, of the New England Bank; A. T. HALL, of the Tremont Bank, and CALEB STETSON of the Shoe and Leather Dealers' Bank.

Mr. THOMAS, of the Webster Bank, moved that the report be laid on the table. He dissented altogether from its conclusions. He thought if the banks in the country wished to withdraw their deposits from the Suffolk, they should do so without being subject to molestation. He had not heard one individual defend the recent course of that institution, but numbers condemn it. The system of the Suffolk Bank was instituted

thirty-four years ago, and the time had come for some new scheme. It was absurd to suppose that the change would damage the currency of this section. There was no necessity to force the country banks to redeem their bills in Boston, and the business of the city had suffered because of certain action in regard to interior institutions. He was opposed to the Suffolk Bank system, so far as he had information in regard to it, and he said that the committee, the majority of which had reported, omitted to obtain such knowledge of that institution as would lead to an enlightened decision of the subject. Mr. THOMAS advocated the idea of establishing a New England Clearing House to perform the work of redemption for the country banks. A debate then ensued upon the question of considering the report as legally emanating from the majority of the committee, as one member thereof not being in town, gave it his approval and signature at another time than at the meeting of the committee.

Mr. THAYER, of the Exchange Bank, the remaining minority member of the committee, sanctioned the opinions of Mr. THOMAS, and said he had endeavored to get sight of the majority report, but had not been able to do so until this morning. Mr. HALL suggested that it would not have been in accordance with parliamentary practice, to have allowed one of the minority to have perused the majority report before its presentation to the meeting, by whose behest the committee was appointed. Mr. CARNEY, of the Bank of Mutual Redemption, contended that the signature of Mr. HALL should have been affixed at the meeting of the committee, to have been of legal consequence. Mr. HAVEN stated, that for the purposes of the present meeting he should consider the report that of the committee. An appeal was taken by Mr. CARNEY, and voted down by a nearly unanimous vote. The motion to lay the committee's report upon the table was then withdrawn, to make way for a motion to refer the whole subject to the same committee, with instruction to make an inquiry into the systems of the Suffolk Bank and Bank of Mutual Redemption, and report such facts as may be pertinent to the question.

This method of temporarily disposing of the difficulty was opposed by those wishing immediate action. They argued that the committee had already given a decision, and would come to no different opinion. The motion was divided, so as first to vote upon the reference back again to the committee. It was taken by banks, and decided in the affirmative as follows:

Yeas.—Union, Columbian, North, Hamilton, Exchange, Bank of Commerce, Bank of North America, Webster, Eliot, Howard, Freeman's, Boylston, National, Hide and Leather, Bank of Mutual Redemption—15.

Nays.—Boston, State, New England, Tremont, Merchants', Atlas, Shoe and Leather, Shawmut, Suffolk, Blackstone—10.

Upon that part of the proposition to instruct the committee to procure information from the Suffolk Bank, and the Bank of Mutual Redemption, less division of sentiment appeared to be displayed than on the first section of the motion. It was adopted by a considerable majority. The meeting then adjourned to wait the action of the committee.

In consequence of the demand made upon certain country banks by the Suffolk, for the redemption of their bills at their own counters, and a refusal to receive payment in specie at Boston, the Bank of Mutual Redemption submitted to their counsel the following question:—

"As to the legal character of the acts of the President and Board of Directors of the Suffolk Bank, and the legal consequences to them or the Bank, and the legal remedy to be taken in view of the laws of the Commonwealth respecting the existing banking corporations thereof, because of the action of the Suffolk Bank in causing great disturbance to the business of the country banks of New England by hoarding their bills, and running them home for specie, thus deranging the currency by taking them out of the ordinary channels of trade and circulation, to the great annoyance and injury of their customers and the community." To this question the able counsel of the Bank returned the following opinion :

Our opinion has been requested upon the question whether the above facts, with the inferences which a jury would warrantably draw from them, would support an indictment for a criminal conspiracy against the officers of the Suffolk Bank, who combine together to do the acts above detailed.

The Suffolk bank is a corporation, and the persons concerned in its management act in their several capacities as its officers and agents. But if they who manage the affairs of the corporation agree together to use its powers to accomplish unlawful purposes by unjust and oppressive means, they are responsibly personally, and the existence of the corporation, and its possession of lawful powers cannot shield them.

It is inferable from the facts, detailed in the case stated, that the managers of the Suffolk Bank have other purposes besides obtaining payment, in the due and regular course of business, of the bills of the banks in question and other banks located by the Legislature out of the city of Boston. Having been apprised that they can have payment in specie for bills of such banks by presenting the same to the Bank of Mutual Redemption in Boston, it seems to be a necessary inference that a special agent is not sent to a distant city or town, there to make demand of the bills at the counter which issued them, and thence to transport the specie to Boston, merely to obtain payment of the bills. Indeed it is too evident to need any illustration, and probably will not be denied, that the purpose of the managers of the Suffolk Bank, both in withholding the bills of a country bank and in demanding payment thereof, in the manner stated in the case submitted, has been and is, to coerce by such means, and by their repetition, the return of the recusant bank to the employment of the Suffolk Bank to redeem its bills for the compensation heretofore paid for that service. And inasmuch as it is clear that no country bank can, or will, practically, employ and pay two agents to do this same service, it must also be taken to be the purpose of the managers of the Suffolk Bank, by the means in question, to compel the country banks not to use the Bank of Mutual Redemption to execute this agency.

The Bank of Mutual Redemption went into operation under amendments of its charter made by the act of April 24, 1856. By this act it was declared that "the purpose for which said bank is incorporated, is for redeeming the bills of the New England Banks." It is a part of the public policy of the State ascertained and declared by the Legislature by this act, to have this particular agency in operation for this special purpose. The purpose is peculiar, and requires attention. To make a currency for the people is everywhere an act of the sovereign power. And where, as in most of the United States, the immediate authority to make such currency

has been delegated either to natural persons or corporations, the government has, justly and properly, felt itself under the obligation to guard the currency created under this delegated power, so as to protect the people from those embarrassments and losses which necessarily arise from its disorder and abuse.

This enactment, by which an agency is created for the redemption in Boston of the bills of all the New England banks, must be taken as part of the system of law by which the Legislature of Massachusetts has endeavored to discharge this important duty to the people of this and the other New England States, and it must be viewed in connection with the course of trade and exchange, in direct reference to which the agency was created. By this course of trade and exchange the city of Boston is the place where the bills of the New England banks cease to be in circulation, and where it is most for the general public interest they should be redeemed. They have been actually redeemed here for many years, and the declared purpose of the Legislature above mentioned is to constitute an agency to continue this practice.

And the question is, whether a confederacy of the managers of the Suffolk Bank, to use the capital of that bank, and the control which it now possesses over the bills of the country banks, to compel them to elect not to employ this agency, using the bills of the recusant banks, not merely to obtain payment thereof, but to disorder and embarrass their affairs, and then force them into subordination to the will of the managers of the Suffolk Bank, is, or is not, a criminal conspiracy? In our opinion it is.

The only just use which can be made of a negotiable note is as currency, or to obtain payment of the sum which it promises. Its use to obtain any distinct, collateral and additional gain or advantage from the promisor is an oppressive and unjust use of it. It is a use of a legal instrument to obtain what does not belong to its owner by force of the contract. He who takes advantage of the necessities of a debtor to compel him to consent to something more than the payment of his debt, obtains an unjust end by an oppressive use of legal means. In our judgment a confederacy of two or more persons to use their joint capital, activity and skill for such an end, by such means, is an unlawful confederacy. It is a combination which distinctly proposes to itself, to coerce the debtor into yielding something that belongs to him, and not to the creditor; and in our opinion such combinations cannot lawfully be made. The purpose is unjust and oppressive, and the law does not permit its means and processes to be employed by a confederacy for such an end. There is reason to believe that an individual cannot lawfully do so. In *Commonwealth v. McCulloch*, 15 Mass R. 229, it was declared, that if a single person bought up notes of another, and brought suits upon them, with an intent to oppress and injure him, though not amounting to barratry, it was a criminal act. A conspiracy for such a purpose would, in our judgment, be clearly so.

But this case contains elements of public mischief, and contravention of public policy, which seem to us entitled to great weight. The oppressive and unjust intent is to be executed, not on a single person, affecting his private affairs and interests, but operating on one of the agents, created and regulated by the State, in pursuance of its public policy to maintain a sound currency. The means proposed to be used are to embarrass and

derange the affairs of such an agent, and thus to discredit and disorder the currency which such agent issues. And the ultimate purpose is, to restrain that agent and all others from employing the Bank of Mutual Redemption to do what it was created to do, and what the general public policy of the State requires it should be left free to do, according to the public wants and interests, when brought under the test of free competition, unrestricted by private confederacies of individuals having adverse particular interests.

And our opinion is, that if the managers of the Suffolk Bank confederate together to use the bills of country banks, of which, under the present course of business they have the control, not merely in good faith to obtain payment of those bills, but to needlessly embarrass the business and disorder the affairs and discredit the circulation of the country banks, and by such means to force the country banks to employ the Suffolk Bank, and consequently not to employ the Bank of Mutual Redemption, to redeem their bills in Boston; this is a confederacy which is criminal, and subjects those engaged in it to an indictment, which may be found in any county, and there is reason to believe, in any State, an overt act is done in pursuance of the confederacy.

B. R. CURTIS, C. CUSHING, BENJ. F. BUTLER.

September 30, 1858.

This document was laid before the counsel of the Suffolk Bank for their consideration, and an opinion desired, who submitted the following view:

Legal Opinion upon the Rights and Liabilities of the Suffolk Bank.

An opinion given to the Bank of Mutual Redemption by their counsel, has been submitted to us by the Directors of the Suffolk Bank, to the end that we may advise them as to their rights and liabilities, and those of the Bank which they represent.

In the conclusions to which we have come, we assume it not to be controverted that among the implied powers recognized by its charter, and by the subsequent legislation of the Commonwealth, the Suffolk Bank has the right "to take by way of general deposit, or trade, or traffic, or receive or purchase the bills" of any bank within or without the State. We further assume it to be true, that although by statute the bills of all banks in the State are to be redeemed with specie on demand at their respective counters, yet the legislation of the State has repeatedly and distinctly recognized as valid arrangements made by one bank with another, by which the former, for a consideration paid or deposit of specie made by the latter, agrees that instead of transmitting the bills it may receive in the course of its legitimate business to the banking house of the latter for payment, retains, and charges the same in account, to be paid and redeemed in a manner agreed by the parties.

It results from these uncontroverted positions that, whatever rights or powers the Suffolk Bank may exercise in regard to bills held by them, those bills have not been obtained for the purpose of exercising those rights or powers, but came to their possession by virtue thereof, and in the usual course of business. The question is then raised, whether, with bills of other banks in their possession, taken in the ordinary course of business, the

extent of which business causes the aggregate of such bills rapidly to accumulate, and to large amounts, against numerous banks, and having regard to the legislation of the State sanctioning or authorizing arrangements between banks to redeem elsewhere than at their own counters.—the Suffolk Bank is guilty of a criminal offence if it presents to banks the alternative of making such arrangement with them, and on their failure or refusal requires them to perform their legal obligation to redeem their bills when presented.

We are clearly of the opinion that, whatever may be the legal liability of parties who, for vexatious purposes, combine to purchase the bills or obligations of banks or individuals, it cannot but be held that the above action of the Suffolk Bank is lawful, and neither exposes the Bank nor its Directors to legal proceedings, civil or criminal.

In stating this opinion, we have given no weight to the suggestion that since the incorporation of the Bank of Mutual Redemption, the Commonwealth has declared a public policy as to the redemption of its currency by that corporation, which the mode of proceeding by the Suffolk Bank violates, and so becomes unlawful. In our judgment, the creation of the Bank of Mutual Redemption declares no public policy of the State. This is, we think, indicated by its subsequent legislation in relation to the redemption of the currency by banks generally. We deem that charter as giving a corporate form to what is substantially a private enterprise, and that it leaves untouched and unrepealed the rights of the Suffolk currency-banks of the Commonwealth in regard to the redemption of the an other. We have omitted also to advert to the technical question whether the directors of a bank in the exercise of its legal rights (and not acting oppressively, under color of such rights) can be the subjects of an indictment. The view we take of the main question makes it unnecessary to discuss the point.

S. BARTLETT, P. W. CHANDLER, RUFUS CHOATE, J. G. ABBOTT.
Boston, Oct. 8, 1858.

It would appear that the Suffolk Bank has since waived its legal rights as before assumed, and has finally assented to consider the Bank of Mutual Redemption as the regularly constituted agent of Banks, who have agreed to become members or stockholders of the latter corporation—or have deposited funds with the new Bank for the redemption of their paper. The following is the circular issued by the Suffolk Bank:—

SUFFOLK BANK, Boston, October 9, 1858.

For the expenses of the Foreign Money System of the Suffolk Bank, the Bank finds its remuneration in the use of the deposits of the various Banks in New England. As no other general mode of compensation has ever been thought of, the maintenance of the system depends upon the continuance of these deposits. To place the Banks withdrawing, on the same footing, as before withdrawal, is obviously inconsistent with the plan of keeping up the system by means of deposits. The Suffolk Bank system has been conducted for thirty years on the principle of sending home for payment in specie, the bills which we receive of those Banks which have withdrawn their deposits. We consider this indispensable to the system, and that it would be futile to attempt to carry it on, without the power of enforcing it.

In continuing this redemption system, the Suffolk Bank has had for many years

no motive beyond that of securing to the community a continuance of its acknowledged benefits. The labor, expense and risks of the business have been equal to any remuneration received from the use of the deposits. We cannot consent any longer to have the Bank placed in the position, as is charged against us, of carrying on this business merely for its profit, nor can we be expected to stand out against public opinion, prejudiced and excited, in sustaining a system however beneficial to the public, after it becomes unremunerating, and hazardous to the Stockholders of the Bank. The Suffolk Bank system is now conducted theoretically and practically, precisely as it has been in the past. If public sentiment is now against it, and if it is less appreciated by the trading community and the city Banks than heretofore, the cause is not to be found in the mode of pursuing it. The time has arrived, to surrender our agency in the system as heretofore conducted. Our responsibility in it must now cease,—

Because its main feature, the right to send bills home for specie, cannot be given up without destroying its efficacy.

Because our exercise of this right is effectually made use of, by those hostile to the Suffolk Bank system, to place the Bank in a false attitude before the public,—and

Because, under existing circumstances, the Bank does not wish to stand in the way of a trial of the attempted experiment of a Foreign money system, to be conducted on less stringent principles.

We shall continue to receive country money from the Banks as heretofore, subject to conditions that it may perhaps be found necessary hereafter to make.

J. AMORY DAVIS, President.

At a meeting of the directors of the Suffolk Bank, on Saturday, October 16th, the following circular was ordered to be issued to the various country banks having accounts with that institution :

SUFFOLK BANK, Boston, Oct. 16.

DEAR SIR,—The business of assorting country money will not be continued by this bank after 30th November, 1858.—Respectfully, yours,

J. AMORY DAVIS, President.

With a view to provide for the exigency caused by the relinquishment by the Suffolk Bank of a part of the business it has heretofore performed, Mr. Groves, of the Clearing House, has been despatched to Albany to inquire into the practical operation of the Albany Sorting House.

The adjourned meeting of the presidents of the Boston banks, to act upon the report of the committee appointed to inquire into the Suffolk Bank and Bank of Mutual Redemption systems, was held in that city, Monday, October 18. The committee, after noticing the announcement by the Suffolk Bank of its intention to discontinue the uncurrent money business on the 30th of November, arrived at the following conclusions :

This determination of the Suffolk Bank removes so entirely all the cause for further dissatisfaction with it, and places the business of redeeming so open to any and all competition, that your committee consider it inexpedient to make any further remarks in relation to these institutions.

Practical experience under this change, which cannot now be avoided, will very soon develop the advantages and disadvantages of it. The committee ask to be discharged from further consideration of the subject.

THOMAS LAMB, ANDREW T. HALL, CALEB STETSON, GEO. W. THAYER, WM. THOMAS, Committee.

The report was unanimously adopted, which action may be considered as favorable to the Bank of Mutual Redemption.

ANNUAL COTTON CIRCULAR, 1857-8.

NEW ORLEANS, *September 30, 1858.*

THE past year having been, in some respects, without a parallel in the history of commerce, we design reviewing its transactions, so far as they have reference to our great southern staple, at greater length than usual. We opened the season with a stock, in all the United States ports, of only 46,000 bales, while at the same date Great Britain only held 420,000 against 800,000 the year before; consumption being active at all points.

SEPTEMBER was a dull month. The receipts at this port were about 60,000 bales, and sales less than half that amount. The price for middling opened at $15\frac{1}{4}$ c. and closed at $16\frac{1}{4}$, the highest for over twenty years. Freight to Liverpool averaged $\frac{1}{4}$ d., while sterling exchange, which was quoted at 108 $\frac{3}{4}$, declined to 105 $\frac{3}{4}$, or 3 per cent., during the month, for the best bills. In Liverpool the price of middling Orleans opened at 8 $\frac{1}{2}$ d., and closed the month at 9 $\frac{1}{4}$, under the influence of a very small stock, without any prospect of early relief.

OCTOBER brought with it an unlooked for revulsion; not much the result of any general unsoundness in legitimate trade. The commodities of different countries were being exchanged with unusual activity; manufactures were in demand, and fair crops promised an abundance of food everywhere; but dishonesty, recklessness, and mismanagement, on behalf of individuals in prominent financial stations—of some railroad companies and banks, both in this country and Europe, assisted by western land speculations, had prepared the way for a monetary crisis which was suddenly precipitated by the failure of a large institution, whose securities on examination were found to be either worthless or greatly depreciated. The result was a panic, that rapidly spread through the United States and Europe; overthrowing credit, and prostrating for the time all confidence; and while in its course the weak and corrupt were covered with disgrace and ruin, even the most stable were not left uninjured, except in credit. Fortunately its intensity was only equalled by the unexampled rapidity with which confidence was restored, and trade revived. The result of this state of things was, that during the month middling cotton declined here to $9\frac{1}{4}$ c., over 40 per cent., in about two weeks. Sterling exchange, which was worth 108 on the 20th of September, was selling at 90 four weeks later; and money commanded 5 and 8 per cent. a month, on good securities. Business, of course, was restricted, and but a small amount of cotton sold. The receipts at this port up to the close of the month were only 188,000 bales, against 310,000 the year before.

NOVEMBER opened under the same depressing circumstances; and the financial epidemic having crossed the Atlantic, the rate of interest at the Bank of England rose to 10 per cent., from $5\frac{1}{2}$ in September. Middling Orleans cotton, which was worth 9 $\frac{1}{4}$ d., fell to 6 $\frac{3}{4}$ d., and finally, in December, to 5 $\frac{3}{4}$ d. Exchanges, however, gradually recovered, and, at the

close of the month, sterling was selling for good names at 104; the result of which was, that middling cotton gradually advanced to 11½ and 11¾.

DECEMBER and JANUARY were noted for the fluctuations in our market. Middling cotton opened at 11½, but the first week in January touched 8½ c., the lowest point of the season, closing the latter month at 9½ cents. Sterling exchange gradually improved from 10½ to 108, for first class bills, but with shipping documents attached they were hard to sell, the average rate for two months being about 103 only. In Liverpool, under the influence of cheaper money and small stocks, the quotations for middling cotton gradually improved from 5¾ to 6 15-16d. The rate of interest at the Bank of England fell from 10 to 4 per cent.

FEBRUARY opened with middling cotton in this market at 10½ c., improving through the month to 11 cents. Exchange ruled from 105½ and 109, according to signatures. The Bank of England reduced the rate of interest to 3 per cent., the present rate; the Liverpool quotation for middling cotton being 7½d., closing the month at 7¾d. From this period to the close of July the value of cotton fluctuated but a little here, getting up to 11½ and 12 c. for middling to strict middling. Exchanges were, however, very irregular. The freight market has been throughout favorable to cotton, averaging about ½d to Liverpool. During the month of March Orleans middling fell in Liverpool to 7d.; since then there has not been any material variation, that having been about the average price.

The growing season of 1857-'8 was most unpropitious, being three weeks later than the average for ten previous years; only 33 bales having been received here in August. Fortunately, there was no killing frost till near the middle of November. The picking season was also unfavorable, and the result was a large amount of inferior and stained cotton. The estimate of a very small crop put prices up to a point at the opening that must, if maintained, have reduced consumption, and at the same time greatly stimulated efforts to increase production everywhere; while lands and negroes in this country would have realized speculation prices, pointing to an unfavorable reaction at no distant day. Notwithstanding the general belief in a very short crop, it proved to have been over 3,100,000 bales, a proof of the continued increase in planting, which has averaged just 5 per cent. per annum, for twenty years past.

The tables which follow give, first, the supply from the different parts of the world for thirteen years, underneath which will be found the average price of middling cotton in New Orleans for thirty-two weeks of the year, during which the bulk of the crop is sold—the number of bales received during the month of August—and date of killing frost in each year. The second table gives the consumption of the different portions of the world for the same period. Both the consumption and production of the current year are estimated, excepting of the United States, our tables being made up to 1st of September, while in Europe they are made up to 1st January ensuing. About 140,000 bales, raised in this country, are consumed in the interior factories, and, not being shipped to any port, are not included.

COTTON SUPPLY IN EUROPE AND UNITED STATES.

	1857-8.	1856-7.	1855-6.	1854-5.	1853-4.	1852-3.	1851-2.	1850-1.	1849-50.	1848-9.	1847-8.	1846-7.	1845-6.
United States,	8,114,000	2,889,500	8,598,000	2,847,500	2,980,000	8,263,000	8,015,000	2,355,000	2,097,000	2,725,500	2,346,500	1,778,500	2,100,500
East Indies,	.....	789,000	472,000	898,000	808,000	485,000	922,000	899,000	908,000	182,500	227,500	222,500	49,500
Brazil,	886,300	190,000	158,000	185,000	140,000	181,000	220,000	310,000	235,000	200,000	120,000	208,000	150,000
Egypt,	.....	180,000	182,000	194,000	160,000	197,000	975,000	181,000	172,000	185,000	85,000	40,000	108,000
West Indies,	.....	88,000	81,000	81,000	92,000	19,000	22,000	20,000	12,000	20,500	18,500	9,500	16,500
Total,	8,950,000	4,085,500	4,871,000	8,690,500	8,560,000	4,145,000	8,754,000	8,035,000	9,944,000	8,968,500	2,747,500	2,259,500	2,419,500
Average Price of Middling in New Orleans,	11	12½	9½	8½	8½	9½	7½	11½	11	6	6½	10	6½
Number of Bales received in August,	38	1,166	93,253	1,391	74	5,077	8,155	67	477	2,864	1,059	140	6,846
Date of killing frost,	Nov. 10.	Oct. 8.	Oct. 24.	Nov. 14.	Oct. 25.	Nov. 27.	Nov. 6.	Nov. 17.	Nov. 26.	None.	Nov. 20.	Nov. 20.	Nov. 10.

CONSUMPTION IN EUROPE AND THE UNITED STATES.

	1857-8.	1856-7.	1855-6.	1854-5.	1853-4.	1852-3.	1851-2.	1850-1.	1849-50.	1848-9.	1847-8.	1846-7.	1845-6.
Great Britain,	1,961,000	2,264,000	2,099,000	1,967,000	1,855,000	1,855,000	1,596,000	1,661,000	1,518,000	1,584,000	1,504,500	1,120,000	1,561,000
United States,	702,000	654,000	594,000	611,000	671,000	608,000	404,000	488,000	488,000	518,000	582,500	424,000	423,000
France,	447,000	524,000	479,000	423,000	460,000	460,000	477,000	833,000	869,000	400,000	.....	.....	.....
Holland and Belgium,	155,000	179,000	152,000	161,000	184,000	184,000	146,000	73,000	72,000	188,000	.....	.....	.....
Spain,	90,000	129,000	114,000	97,000	92,000	92,000	95,000	96,000	80,000	75,000	723,000	618,000	758,000
Germany, Baltic, &c.	296,000	391,000	329,000	425,000	508,000	508,000	468,000	408,000	374,000	466,000	.....	.....	.....
Trieste and Genoa,	180,000	153,000	143,000	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Total,	8,650,000	8,781,000	8,290,000	8,010,000	8,684,000	8,715,000	8,680,000	8,092,000	9,894,000	8,183,000	2,765,000	2,166,000	2,743,000

DISTRIBUTION OF THE UNITED STATES CROP.

	1857-8.	1856-7.	1855-6.	1854-5.	1853-4.	1852-3.	1851-2.	1850-1.	1849-50.	1848-9.	1847-8.	1846-7.	1845-6.
New Orleans,	1,576,400	1,485,000	1,661,480	1,282,650	1,376,700	1,608,000	1,887,000	930,200	797,400	1,100,600	1,188,700	706,000	1,041,400
Mobile,	522,400	503,160	659,740	454,600	504,300	515,400	527,000	498,600	892,800	508,000	438,800	823,500	422,000
East of Mobile,	869,900	911,460	1,090,600	1,079,010	936,700	1,018,600	1,099,000	925,300	985,200	1,051,200	688,900	740,900	637,100
Texas, Gulf Ports,	145,900	89,880	116,080	80,740	110,300	89,000	62,000	45,900	31,400	88,800	30,700	8,800	.....
Total,	3,114,000	2,989,500	3,527,350	2,847,500	2,980,000	3,220,000	3,615,000	2,350,000	2,094,800	2,725,600	2,846,600	1,788,600	2,100,500

Notwithstanding the rapidly increased consumption, reference to the tables below will show that during four years past, the aggregate supply has been in excess about 350,000 bales, the reverse having been the case for some years previously. This is in part, however, attributable to the late commercial derangement, and the war in China and India. The most noticeable increase has been in East India, product and the weight of bales approaches more nearly to American than those from any other country. The exports of the last five years more than doubled those of the preceding five. The quality is much inferior to ours, but is still available for many purposes. So much for the influence of high prices. The policy that rejoices in the fact that a small crop sometimes produces more dollars than a large one, is at once selfish and short-sighted. Last year the import of East India cotton in Europe was augmented about 100,000 bales, by the diversion of that amount from China, in consequence of the disturbed state of affairs; but still there is a considerable increase of production in India. In 1858, it is supposed, the shipments to Europe will be about 200,000 bales less than last year. The actual decrease of British consumption, in 1857, was not so great as would appear from the table; under the pressure of high prices, spinners run their stocks very low, and held about 70,000 bales less at the close of December than the year before.

It has been extremely difficult to obtain correct statistics of supply and consumption in continental Europe. The amount imported from other sources than Great Britain and this country proves to be larger than was supposed. We have revised our tables with much pains, and believe them to be as correct as they can be made. Reducing the bales from all countries to 400 pounds each, it appears that about 85 per cent. of the whole is produced in the United States.

It seems probable that the wants of 1859 will at least exceed 4,000,000 bales; much will depend, however, on the range of prices and extent of our crop. The influence of value on consumption is illustrated by the business of 1856 as compared with 1857, the difference in price being over three cents in favor of the former, and in which 500,000 bales more was taken than during the latter; one-half of the difference being in continental Europe. At present the English factories are working up to their power, and our own are generally employed. The manufacturing power is being greatly increased in Russia and Germany. In the Zoll-Veirin alone new mills have lately been erected that will increase their ability to consume raw cotton from 182,000 to 230,000 bales. There is no fear that even a crop of 3,700,000 bales would find a ready market at moderate prices, say 10 and 11 cents for middling. It is remarkable that notwithstanding the general derangement in commercial affairs, the average price paid in this market for middling has averaged 11 cents the past season.

The British Board of Trade returns, which afford a good index of the state of trade, show that notwithstanding the commercial troubles, added to war in India and China, the exports thence of cotton goods and yarns for the first six months of this year were in value £19,260,000, against £18,515,000 last year, and £16,870,000 in 1856, while the falling off in silk manufactures was 50 per cent., as compared with last year, showing that cotton goods have become next to food, a first great neces-

sity the world over. Now that the rebellion in India, and the war in China, have been about brought to a close, a large increase may be looked for in the demand for manufactured goods. Manchester men are leaving no effort untried to encourage the growth of cotton everywhere. It would seem that both climate and soil in some parts of Africa are more analogous to our own than other regions, and at no very distant day considerable exports thence may be looked for.

It is too soon yet to estimate the full effect of the opening of all the Chinese ports, agreeably to the provisions of the late treaty; but we should not be surprised if within a very few months hence a largely increased demand should arise for the Chinese markets, for cotton manufactures; and in such an event United States goods would enter largely into competition with those of Manchester. A new and powerful impetus would thus be given to the trade, forcing the price of the raw material up to the highest point that the value of manufactures would bear. Should this anticipation be realized, there is little fear that either fresh lands will be cleared, or labor transferred from the north-eastern to the south-western slave States faster than the wants of commerce may require. It is to be hoped that the railroads projected, or commenced, that pierce the western cotton growing region, will be hurried forward.

The extent of the incoming crop is yet uncertain. Up to the first week of August the prospect in every section was so favorable, that even allowing 200,000 bales for loss from overflow and transpiration, we looked for a yield of at least 3,700,000, if the season had continued favorable. The dry weather that had prevailed was succeeded in that month by very heavy rains, that resulted in a shedding of blooms, squares and small bolls, from which only small sections of country were exempt. Since then rust has prevailed east of the Mississippi river more extensively than we ever remembered, added to which, the boll worm has been very destructive, and in some sections the caterpillar has done great damage. There is no large section of country that has not been visited with at least some of these evils.

Taking a survey, however, of the whole field—bearing in mind that the crop is a little earlier than the average of years—that the gulf ports of Texas are expected to ship not less than 200,000 bales—that bottom land crops are generally good, and adding the increased planting in fresh western lands, we put down 3,250,000 bales as an approximate estimate. Old thin uplands cannot be expected to recover the effects of the disasters of August; but there is a *possibility* that if we have a fine fall, without frost till the middle of November, the fresh and strong lands may recuperate sufficiently to add something to the above estimate. This, however, is a contingency not to be relied on.

Latest accounts from abroad show that consumption is active, and likely to remain so. As a general thing the crops in Europe are abundant. Taking this fact in connection with the depletion in stocks of goods that has been going on during the past year, and the reopening of the Chinese and East India trade, we may look for a large demand for manufactured goods. As the consumption of raw cotton is more diffused than ever before, it is certain that competition will ensure full prices.

Up to the 1st instant the import of cotton in Great Britain was 1,910,500 bales, against 1,868,200 for the corresponding eight months

of last year, of which only 216,600 had come from India, against 425,300 last season. The amount taken for consumption was 30,000 bales less. The stock in all the ports was 680,000 bales, against 420,000 last year. This fact, with the certainty of earlier supplies hence, will prevent such an advance in prices as occurred a year ago, although some improvement is looked for. The latest quotation for Orleans middling was 7½d., against 9d. last year.

At this port our receipts are 113,000 bales, against 58,000 last season, 83,000 in 1856, and 140,000 in 1855. The demand has been almost equal to the supply, our quotations being for low middling 11½ and 11¾, middling 12 and 12½, good middling to middling fair 12½ and 12¾.

We have evidently entered on a season that bids fair to be prosperous in every respect, with every thing that can reasonably be desired, so far as the producers of our great southern staple are concerned.

CUTLER, HARRISON & Co.,
Cotton Factors, Carondelet Street, New Orleans.

Remarks.—Up to this date, October 15, the weather has been remarkably fine for gathering cotton everywhere, and a large portion of the crop has been secured in fine order. I am not aware, however, of any circumstances that would justify me in making *at present* any alteration, either as regards matters of fact or opinion, as contained in that review. I notice that through the press great stress is being laid on the probable influence of the opening of the Chinese ports on the cotton interest.

We must await patiently further developments; that important results must follow after a while, there can be no doubt; but I should be sorry to see any speculative action just now based on future prospects. In this market, the receipts are absorbed by the current demand, almost as fast as samples can be got, at the very respectable price of about 12½ c. for middling. I am surprised that the final tables for the season are still made up in your city, rather than in New Orleans. The past season there were shipped from this port 1,600,000 bales, more than one half of the United States crop; and taking *weight* into account, not much less than one half of the amount consumed in this country and Europe. New Orleans is, however, a modest city, and we are generally satisfied here with practical results.

COUNTERFEITING EXTRAORDINARY.

J. Hosford Smith, the Turkish Consul, called at the Mayor's office, and informed His Honor that he had received a despatch from the Ottoman Government, through the Turkish Minister at London, stating that a Mrs. Sevasti had just been arrested at Constantinople for passing counterfeit money. She was discovered through the unusual quantity of her baggage, on attempting to leave the city for other quarters. In order to satisfy their suspicions, the Government officials opened her trunks, whereupon a large quantity of "Caimes," (pieces of paper money valued at 20 piastres each,) were found underneath false bottoms. She was immediately taken before the Minister of Police and examined. She confessed that she had had 600,000 "Caimes" printed in New York, and had passed off a great number of them in Constantinople. The intelligence was transmitted by telegraph to New York by way of London, and it was desirable that the matter should be investigated. The Consul made an affidavit of these facts. On the receipt of this information, Mayor Tiemann despatched Sergeant Berney with a search-warrant for the arrest of William L. S. Harrison, a printer, whose establishment is at 82 Duane street, where Mrs. Sevasti said her printing was done. The Sergeant, accompanied by several members of the Mayor's squad, proceeded to the premises at 2 P. M., and arrested Harrison and his workmen. They were engaged at the time in ordinary printing, but piles of the Turkish counterfeit money were found on the shelves. Mr. H. was at first greatly astonished at the appearance of the police, and was at a loss to understand what the whole thing meant, until the Sergeant read to him the affidavit of J. Hosford Smith at the Mayor's Office. From his explanations it became evident that he was entirely unaware of the true character of the job he had done for the Turkish lady. He said that he recollected her calling on him about the 1st of July under the name of Madame Zaifinen, and engaging him to print a large quantity of what appeared to be labels at \$1 per 1,000, exclusive of the cost of dyes and engravings. She called several times to see the proofs, and at last became satisfied with the paper and impression, and ordered 600,000 to be printed. She evaded his queries as to the nature of what he was printing, but finally said they were labels. She paid him \$1,700 in cash and a note for \$300 in payment for the job. On the 23d of July, she had the "labels" transferred to the Astor House, and that was the last he saw of her. He had not the slightest suspicion that what she called "labels" were pieces of Turkish money. The Mayor held Mr. Harrison to bail in the sum of \$4,000; Mr. H. Spadling and John H. Moore becoming his bondsmen. His workmen were detained as witnesses. The "Caimes" found on the premises of the printer were the refuse sheets which Mrs. Sevasti rejected. The 600,000 "Caimes" which she carried to Constantinople were worth 20 piastres each, and the piastre being valued at 4 cents, the entire quantity of paper money was worth \$480,000.

DIVIDENDS OF THE BOSTON BANKS.

FROM 1852 TO 1858.

Name of Bank.	Capital.	1852.	1853.	1854.	1855.	1856.	1857.	1858.	
								April.	Oct.
Atlantic Bank,.....	500,000	8	8	8	7	6	6	3	3½
Atlas Bank,.....	500,000	7	7	7½	8	8	7½	4	4
Blackstone Bank,.....	750,000	7	8	8	8	8	8	3½	3½
Boston Bank,.....	900,000	8	8	8	8	8	8	4	4
Boylston Bank,.....	400,000	9	9½	10	9	9	9	4½	4½
Broadway Bank,.....	150,000	..	new	6	8	7½	7½	8	3
B. of Mutual Redemption,...	512,500	..	..	..	..	..	..	..	new
Bank of Commerce,.....	2,000,000	8	8	8	8	7	7	3½	3½
City Bank,.....	1,000,000	7	7	7	7	7	7	3½	3½
Columbian Bank,.....	750,000	6½	6½	7	7	7	7	3½	3½
Eagle Bank,.....	700,000	7	7½	8	8	8	8	4	4
Elliot Bank,.....	600,000	..	..	new	7½	7	7	3½	3½
Exchange Bank,.....	1,000,000	8	8	8	8	10	10	5	5
Faneuil Hall Bank,.....	500,000	8	8	8	8	8	8	4	4
Freeman's Bank,.....	400,000	9	9	10	10	10	10	4	4
Globe Bank,.....	1,000,000	8	8	8	8	8	8	4	4
Granite Bank,.....	900,000	8	8	7½	7	7	7½	3	3
Hamilton Bank,.....	500,000	8	8	8	8	e	8	4	4
Hide and Leather Bank,....	675,000	..	..	..	..	..	..	new	3
Howard Banking Co.,.....	500,000	..	new	8	8	7	6½	3	3
Market Bank,.....	560,000	10	10	10½	10	10	10	4	4
Massachusetts Bank,.....	800,000	6	*16	*16	*16	*16	*16	3½	8½
Maverick Bank,.....	400,000	..	..	new	6½	6½	6½	3½	3½
Mechanics' Bank,.....	250,000	8	8	8	8	8	8	4	4
Merchants' Bank,.....	4,000,000	8	8	8	8	8	7	3½	3
National Bank,.....	750,000	..	..	..	7½	7	7	3½	3½
New England Bank,.....	1,000,000	8	8	8	8	8	8	4	4
North Bank,.....	750,000	7	7	8	8	7	6½	3	3
North America,.....	750,000	8	7½	8	7½	7	7	3	3
Shawmut Bank,.....	750,000	8	8	8	8	8	8	4	3
Shoe and Leather Bank,....	1,000,000	8	8	8	8	9	9	4½	4½
State Bank,.....	1,800,000	6½	7	7	7	7½	7½	3½	3½
Suffolk Bank,.....	1,000,000	10	10	10	10	10	10	5	5
Traders' Bank,.....	600,000	7½	8	8	8	7½	7	3	3
Tremont Bank,.....	1,250,000	8	8	8	8	8	8	4	4
Union Bank,.....	1,000,000	8	8	8	8	8	8	4	3½
Washington Bank,.....	750,000	6½	6½	8	7	7	7½	3½	3½
Webster Bank,.....	1,500,000	..	..	new	7	7	7	3½	3½
Total capital,.....	\$31,147,500								

* \$16 per share of \$250.

Austria.—The London *Times* of October 5, states that "the specie held by the Bank of Austria is now close upon £11,000,000, equal to about 28 per cent. of its circulation. The aggregate of bullion at present held by the Banks of England, France, and Austria, may be estimated at £55,000,000. At the commencement of the year it was considerably less than half that amount."

BANK STATISTICS.

Statement of the Circulation and Net Deposits, Specie and Loans and Discounts of the Banks of the City of New York, for each week of the Years 1855 and 1856. Compiled by GEORGE D. LYMAN, Manager of the Clearing House, New York.

DATE.	Net Deposits & Circulation.		Specie.		Loans and Discounts.	
	1855.	1856.	1855.	1856.	1855.	1856.
January 6	\$54,790,749	\$66,223,953	\$13,596,963	\$11,637,209	\$32,244,706	\$35,863,890
" 18	57,801,807	66,188,159	15,488,525	11,777,711	83,976,081	96,145,408
" 20	59,971,672	67,623,833	16,372,127	13,885,260	85,447,998	96,382,968
" 27	61,767,755	67,837,964	16,697,260	12,783,059	86,654,657	96,837,221
Feb. 3	63,718,812	69,245,700	17,439,196	13,640,437	88,145,697	97,970,611
" 10	65,098,526	69,947,801	17,124,391	14,233,329	89,862,170	98,844,077
" 17	66,123,493	72,035,344	17,339,056	15,673,736	90,850,091	99,401,315
" 24	65,956,424	73,994,958	16,370,875	15,535,374	91,590,505	100,745,448
March 3	66,207,353	74,992,119	16,581,270	15,640,687	92,386,125	102,632,235
" 10	66,673,213	75,769,260	16,970,669	15,170,946	92,331,759	103,909,658
" 17	66,740,128	74,883,608	16,933,933	14,045,024	92,447,345	104,528,298
" 24	67,072,353	75,066,074	16,602,729	14,369,556	93,050,778	104,533,576
" 31	67,286,182	75,005,197	16,018,105	14,216,341	93,634,041	104,745,307
April 7	67,054,630	76,323,176	14,968,004	13,351,455	94,499,394	106,962,018
" 14	67,002,126	76,582,308	14,390,979	12,626,094	94,140,399	107,840,435
" 21	68,535,738	75,061,143	14,855,041	12,958,132	92,632,593	106,765,085
" 28	65,956,581	74,532,001	14,282,424	13,102,858	92,505,951	105,538,864
May 5	66,490,586	73,741,033	14,325,050	12,850,223	93,098,243	105,825,963
" 12	66,170,743	73,516,901	14,555,626	13,317,366	91,642,493	103,803,798
" 19	66,683,152	72,393,664	15,225,056	12,796,541	91,675,500	103,002,820
" 26	66,176,911	72,200,292	15,814,531	13,850,893	91,160,513	102,207,767
June 2	66,590,221	72,797,012	15,397,674	14,021,239	91,197,652	102,451,275
" 9	66,545,885	75,463,960	15,005,155	16,166,180	92,109,097	103,474,921
" 16	67,544,219	77,947,480	14,978,559	17,414,690	93,100,835	104,168,881
" 23	67,997,515	78,659,212	14,705,629	17,871,955	94,029,425	105,626,995
" 30	70,949,553	79,600,222	15,640,146	17,069,688	95,586,424	107,087,525
July 7	72,765,123	81,891,977	15,881,093	16,829,236	97,852,491	109,267,533
" 14	75,235,843	79,928,292	16,576,506	14,793,409	98,521,002	109,743,043
" 21	73,418,216	81,490,812	15,913,909	15,826,131	99,029,147	110,873,494
" 28	73,479,794	80,767,805	15,920,976	13,910,843	99,038,799	111,346,539
August 4	73,489,827	81,721,371	15,293,353	14,823,253	100,118,569	112,221,562
" 11	73,964,333	80,054,630	15,230,669	13,270,602	100,774,209	112,192,823
" 18	73,738,343	78,942,235	14,649,245	12,906,673	101,154,060	111,406,757
" 25	71,591,162	77,611,347	13,326,378	12,914,732	100,604,604	110,183,004
Sept. 1	71,520,985	76,195,863	12,852,823	12,965,287	100,486,970	109,873,911
" 8	70,202,094	76,113,202	12,006,625	13,093,876	100,273,733	109,560,943
" 15	69,685,707	74,790,475	12,213,240	12,281,887	99,397,009	109,579,775
" 22	68,447,877	74,626,805	11,655,391	12,270,635	98,531,734	109,715,435
" 29	65,683,617	72,326,365	9,919,124	10,873,220	97,355,225	108,992,205
October 6	64,890,707	70,883,172	11,110,687	11,015,184	95,515,021	107,931,707
" 13	64,472,182	69,727,180	11,133,878	10,392,751	95,059,420	107,147,899
" 20	65,260,808	69,016,454	12,461,723	10,846,857	95,103,876	105,929,265
" 27	63,987,464	67,346,257	11,163,521	10,530,795	94,216,873	104,156,438
Nov. 3	62,856,971	66,710,963	11,106,298	11,057,675	93,369,079	103,142,093
" 10	61,627,573	65,880,108	10,855,526	11,516,420	92,454,290	102,505,639
" 17	61,559,319	67,799,026	11,302,917	12,253,787	92,029,920	103,554,450
" 24	62,391,779	68,972,444	11,715,239	12,971,863	92,812,408	104,504,919
Dec. 1	62,428,459	70,178,483	11,227,134	12,123,837	92,526,921	105,433,053
" 8	63,385,853	71,595,797	11,844,625	12,278,847	93,189,303	106,595,784
" 15	63,312,336	71,871,626	11,534,075	10,832,543	93,800,038	108,336,566
" 22	64,334,392	70,662,595	12,033,359	11,151,317	94,350,437	108,384,598
" 29	64,578,721	70,646,558	10,733,093	10,392,423	95,114,060	108,527,429

NEW YORK CITY.

Statement of the Circulation and Net Deposits, Specie and Loans and Discounts of the Banks of the City of New York, for each week of the Years 1857 and 1858. Compiled by GEORGE D. LYMAN, Manager of the Clearing House, New York.

DATE	Net Deposits & Circulation.		Specie.		Loans and Discounts.	
	1857.	1858.	1857.	1858.	1857.	1858.
January 8	\$72,379,942	\$71,524,270	\$11,172,244	\$28,561,046	\$109,149,153	\$98,549,988
" 10	72,644,945	72,557,746	11,090,109	29,176,838	110,150,284	98,792,758
" 17	74,124,052	74,073,284	11,965,054	30,211,266	110,860,401	99,473,762
" 24	74,757,007	75,859,028	11,683,924	30,529,151	111,094,415	101,172,642
" 31	75,266,618	76,837,462	12,191,925	31,273,022	111,785,882	102,180,089
Feb. 7	74,423,977	77,418,668	11,148,594	30,652,948	112,876,712	103,602,932
" 14	74,095,294	77,038,176	10,497,852	30,226,274	112,722,799	103,758,806
" 21	73,204,969	78,546,275	10,482,158	31,416,077	111,773,571	103,706,785
" 28	72,786,848	78,259,731	10,645,254	31,658,694	111,187,717	103,769,127
March 7	73,860,655	79,234,371	11,707,846	32,739,731	111,899,649	105,021,863
" 14	75,147,064	80,308,886	11,077,781	32,961,076	113,250,988	105,293,631
" 21	74,470,187	81,027,770	11,291,873	31,902,656	113,448,691	107,440,850
" 28	74,702,245	80,498,940	11,325,733	30,929,472	112,884,024	109,095,412
April 4	75,696,416	83,255,507	11,538,732	31,530,000	114,833,902	110,583,354
" 11	75,530,210	84,086,672	10,884,490	32,086,436	115,374,717	110,847,617
" 18	76,318,069	85,811,195	12,061,872	33,196,449	114,398,174	111,344,891
" 25	75,805,191	86,839,744	11,827,562	34,113,891	113,391,910	111,003,476
May 2	77,085,242	87,995,117	12,009,910	35,064,214	114,409,275	111,868,456
" 9	77,187,242	89,462,202	12,011,491	35,458,146	115,068,322	112,741,955
" 16	77,590,464	91,102,269	12,548,698	34,780,728	114,620,042	114,119,288
" 23	77,255,264	91,605,183	13,126,735	34,047,446	114,049,102	115,658,082
" 30	77,262,602	90,404,860	12,815,515	31,496,144	114,049,633	116,650,943
June 6	78,071,662	91,055,716	18,184,714	32,790,332	115,338,592	116,424,597
" 13	76,508,217	91,650,919	11,974,879	33,367,253	115,412,541	116,022,152
" 20	77,381,181	92,578,550	12,790,701	32,396,456	115,114,765	117,797,047
" 27	75,717,842	93,165,996	10,901,091	31,948,089	115,015,504	118,628,401
July 4	72,298,172	95,795,374	12,587,346	33,830,232	115,044,303	119,812,407
" 11	74,896,175	97,059,879	12,666,146	34,705,598	116,028,617	118,868,987
" 18	75,454,421	97,410,357	13,594,606	35,329,988	117,865,321	119,165,731
" 25	75,905,570	97,456,735	12,956,855	35,515,248	118,848,131	118,940,482
August 1	77,347,510	98,554,238	12,918,014	35,712,107	120,597,050	119,850,456
" 8	76,354,681	98,128,898	11,737,367	35,145,844	122,077,252	120,892,857
" 15	75,594,941	97,415,019	11,860,645	31,150,478	121,241,472	123,374,459
" 22	72,935,482	96,643,647	10,097,173	28,348,998	120,189,582	126,341,827
" 29	69,591,362	95,185,955	9,241,876	27,817,006	116,588,919	126,084,424
Sept. 5	65,933,802	95,631,846	10,227,964	28,048,664	112,221,365	125,885,840
" 12	65,656,487	94,788,848	12,181,857	28,059,495	109,955,573	125,013,211
" 19	65,925,766	94,943,401	13,556,186	28,808,068	108,777,421	124,649,018
" 26	64,757,171	93,946,270	13,827,095	28,625,331	107,791,438	124,115,904
October 3	60,714,467	93,742,120	11,400,418	23,538,156	105,935,499	123,659,697
" 10	57,268,775	94,370,732	11,476,294	29,170,204	101,917,570	123,599,249
" 17	50,788,458	94,686,829	7,843,231	28,506,508	97,245,826	124,216,701
" 24	54,758,640	95,022,191	10,411,643	28,681,429	95,593,518	124,674,222
" 31	58,167,906	....	12,883,441	....	95,317,754	....
Nov. 7	62,859,118	....	16,492,153	....	95,866,241	....
" 14	66,860,208	....	19,451,967	....	95,239,247	....
" 21	71,201,348	....	23,167,980	....	95,375,432	....
" 28	70,823,163	....	24,303,144	....	94,968,180	....
Dec. 5	70,999,375	....	26,069,838	....	96,333,687	....
" 12	69,256,492	....	26,053,877	....	96,526,037	....
" 19	70,019,572	....	27,957,826	....	97,211,690	....
" 26	69,411,457	....	27,142,098	....	97,902,035	....

FOREIGN ITEMS.

Free Trade Movement in Germany.—An English paper states that "on the 20th of September next, and the three following days, a congress will be held at Gotha, for the purpose of forming a central point for the propagation of sounder views in the field of political economy. This is intended to be a loyal and patriotic effort to enlighten the middle and lower classes, and induce the numerous governments in Germany to unite for the abolition of the absurd corporative monopolies, which prevent the increase of towns in population and wealth, and force thousands upon thousands of industrious laborers and artisans to expatriate themselves year by year; the Elbe and Rhine tolls, which exclude the Germans from the free use of their own fine streams; and further, the transit duties, in the Zollverein lands, which actually divert trade from German ports, and millions of dollars annually from German railways, to the profit of France, Belgium, and Holland. Every well-wisher to freedom of movement ought to encourage the congress in their truly conservative endeavors. If they attain their aim, Germany will, perhaps, be rendered superior to an event that must, sooner or later, occur in a neighboring country."

England has grown rich and powerful commercially, by means of her protective system; and now proposes free trade to other nations, while her tariff is yet more severe than our own upon foreign manufactures.

The Western Bank of Scotland.—The *Scotsman* states that the subscription for the relief of the persons rendered destitute by the failure of the Western Bank of Scotland now amounts to £8,736. The mitigation that can thus be afforded (says the *Times*) to the mass of existing misery will be utterly insignificant, the total squandered having been about two or three millions. From the recent decision at Liverpool, however, some of the heaviest sufferers will be encouraged to hope for more substantial redress by proceedings against the directors. Many of them are beyond help, but their families remain to seek it. Every week furnishes some new instance of the results of this gigantic iniquity which has found such ardent defenders. A letter from Liverpool to-day observes: "Mr. —, a most worthy and esteemed man, died in Scotland of a broken heart a few days back. He was an old East India and China merchant who had retired from business, and the whole of his ample fortune has been swallowed up by the Western Bank of Scotland."

Russia.—A St. Petersburg letter says that Baron Frankel, a banker of Warsaw, and M. Homberg, of Paris, have submitted to the government a financial plan destined to furnish the capital necessary for the emancipation of the peasants. According to it, a bank of issue will be established with a capital equal to the indemnity which is to be paid to the proprietors, the notes issued to be ultimately withdrawn from circulation by means of a sinking fund. The letter adds, there is every chance of this plan being adopted, though perhaps with some modification.

Turkish Finance.—The *Lerant*, a Brussels paper, which busies itself exclusively with Eastern affairs, has a long article on Turkish finance, which I am assured, by persons better acquainted than myself with that complicated subject, may be accepted as being, in the main, correct in its statements. It includes a statement of the present debt of Turkey, which is in short compass, and worth extraction. Should there be errors in it, some of your financial readers conversant with the subject will doubtless detect them.—*Cor. Times.*

"It is only since the war in the East that Turkey has begun to make loans. The first of the two she has contracted was subscribed, in 1854, by the house of Goldsmith and Palmer. It was for £3,000,000 sterling. The uncertain commencement of a long and costly war did not favor Turkey in its conditions. It was taken at 82, yielding 6 per cent. on the nominal amount. The interest and sinking fund of the 6 per cent. loan, 1854, amount to £210,000 sterling, and are guaranteed on the annual tribute of £282,000 which Egypt pays to the Porte. The last loan, issued in 1855, was for £5,000,000 sterling. It was taken by the house of Rothschild, of London, under the double guarantee of France and England, at the rate of 102½. 50c., producing 4

per cent. The interest and sinking fund of the second loan, which is the last (4 per cent., 1855), amount to £252,000 sterling. They are guaranteed—first, by the £72,000 sterling of the Egyptian tribute not yet appropriated; second, by the proceeds of the Smyrna and Syrian custom-houses. The public debt of the Porte consists of—

"1. £8,000,000 sterling, the amount of the two above-mentioned loans.

"2. £10,000,000 sterling, which, according to the new financial plan, is to consolidate the whole debt of Turkey. This sum includes the paper money and the old moneys which are below the legal rate, as well as the liquidation of the debts contracted for the last war.

"3. £2,500,000 sterling in Treasury Bonds, bearing interest at 6 per cent.

"4. £4,000,000 sterling (about), comprising the floating debt of all the various administrations.

"£24,500,000 sterling, forming the total debt of Turkey."

An Illiterate French Trader.—Paris Court of Bankruptcy had to deal recently with a peasant from Auvergne (the Auvernats are all water carriers or railway porters in Paris), but Michael Landier's balance-sheet showed a deficit of 1,508,160*f.* (above £60,000). He had dealt in rabbit-skins. He could neither read nor write, but contrived a sort of flourish which did duty for a signature. In three years one bank, that of Lecuyer, had 11,000,000 (£440,000) worth of his paper passing through their establishment; and his business in the fur trade above mentioned amounted to an average of 2,000,000 (£80,000) a year. He bought parcels at every fair in France, and had generally warehouses stocked with myriads of tons of rabbits' skins. His counting-house was a low wine shop; he kept no ledger, and got his correspondence done at the various letter-writing stalls in the public highway. Under more favorable circumstances, this busy brain might have achieved the first financial eminence in the land.—*Paris Correspondent of the Globe.*

Counterfeits.—A very extensive seizure of counterfeit money was made recently at the custom-house of Constantinople on the person and in the trunks of a lady passenger. She had joined the ship at Syria, and on landing, in all the glory of a gorgeous toilette and immeasurable crinoline, attempted to get through the hands of the officials by the generally quick and easy agency of a backsheesh; but whether from a vicious pruriency to plumb the crinoline, or through legitimate suspicion excited by its unusual size, the Bey insisted on subjecting the luckless fair one to an examination, which resulted in the discovery of 80,000 piastres in false notes, stowed away in the mysterious amplitudes of her *vetements de dessous*. Between the false bottoms of her trunks were discovered some four millions of piastres, of the same spurious manufacture. The fair sinner, who is said to be an American, was forthwith consigned to the loathsome misery of the Turkish prison, the authorities making a general confiscation of the whole of her effects, with the crinoline to boot.

British Revenue.—The following is an abstract of the gross produce of the revenue of Great Britain in the undermentioned periods, ending September 30, 1858, compared with the corresponding periods of the preceding year:

	1858.	1857.	
Customs	£23,472,831	£23,106,509	£366,322 inc.
Excise.....	17,731,000	17,519,000	212,000 "
Stamps.....	7,728,343	7,346,223	382,120 "
Taxes.....	3,136,038	3,099,020	37,018 "
Property tax.....	7,852,625	15,753,024	7,900,399 dec.
Post office	3,025,000	2,930,000	95,000 inc.
Crown lands	276,940	277,654	714 dec.
Miscellaneous.....	1,938,727	1,147,231	791,496 inc.
Totals.....	65,161,499	71,178,661	Total inc. 1,883,951 Total dec. 7,901,113

Net dec. £6,017,162

Savings Banks.—At the recent meeting of the British Association for the Advancement of Science, Dr. Batement read a paper "On the Investments of the Laboring Classes," pointing out the various objects in which such savings are invested, particularly benefit societies. He threw out some suggestions for the improvement of both

these sources, and strongly insisted upon government either giving up their dealings with the money lodged in the savings banks, or taking upon itself the responsibility of such institutions, and not leaving the persons who had invested their small savings liable to great loss, as had been the case in the instance of the Rochdale Savings Bank and some others. The working classes of this country had undoubtedly saved much money—more, indeed, than many of the other classes gave them credit for; and they ought to be encouraged in provident habits and forethought, so that they might save more by the means of investment for their savings being made both safe and adequate. Professor Alexander, of Baltimore, Agent of the U. S. respecting Weights and Measures, was present.

Philippine Islands.—The port of Iloilo, in the centre of the southern group of the smaller Philippine Islands, has been opened to foreign trade by the Spanish Government, and is probably destined before long to become well known in commercial enterprise, although at present there are scarcely half a dozen merchants or shipowners here who ever heard of the place. Iloilo or (Iloylo) is the chief port of the small but fertile island of Panay, which contains a population of about 700,000 inhabitants, and together with the neighboring islands, of which it is expected to be the commercial depot, the population may be estimated at two millions. Besides varieties of eastern produce, of lesser importance, with which we are familiar from our connection with Singapore, Iloilo is expected eventually to export largely sugar and hemp, and thus open a direct trade not only for shipment of raw produce to England, but for importing and distributing among the neighboring islands a proportionate amount of British manufactures.—*Times*.

Antwerp.—The *Independence Belge* of the evening of 4th August contains the following letter from Antwerp, dated Monday morning, 2.30 A.M. :—

"At the moment I write an immense disaster is occurring in our city. The Bourse of Antwerp, that place to which so many glorious souvenirs are attached, and which by its late improvement—its fairy-like covering—had become the admiration of all foreigners, is nothing more than a heap of rubbish and smouldering ashes. The glass roof fell with a frightful crash, and the enormous pieces of the metal framework broke like glass on falling to the ground. Every part of the building, in fact, is destroyed, and it was with great difficulty that the neighboring houses could be preserved. The civil and military authorities, the troops, the firemen, every one indeed, did their duty, but nothing could be done as to the Bourse, which will be burnt to the last fragment of wood. The fire appears to have arisen in an upper room on the side of the Courte Rue des Claires. It was there, at least, that the flames were first seen; and in half an hour the place was enveloped in fire. The Bourse contained the Chamber of Commerce, the Tribunal and the Record Office, the Syndical Chamber of the Stockbrokers, the syndical chamber of the Antwerp brokers, and the telegraph bureaux. Nothing, absolutely nothing, is saved. All the archives of these various bodies are lost. * * * I have just returned from the scene of the disaster, and in spite of the united efforts of a crowd of workmen, and the engines, the fire continues. The ceilings which surmounted the arches of the interior galleries have just caught fire, and part of the turret on the side of the Place de Meir has fallen.

Australian Gold.—According to the latest advices received in London from Australia, the gold production of the colony of Victoria up to the 12th of June has been exactly equal to that up to the corresponding period of the year 1857—namely £4,060,000, or at the rate of about £8,500,000 per annum. In consequence of a protracted scarcity of water, a falling off would have taken place but for the greatly improved results of quartz crushing. We learn from the *London Times* that the local Government of Victoria, by whom an expenditure is contemplated of £8,000,000 sterling for railroad purposes, spread over a series of years, have made their arrangements with six of the local banks for the sum required during the next 12 months, which will be limited to £1,500,000. They are to take 6 per cent. Colonial Debentures, which are to be put on the London market at a price not lower than 105; but no issue was to be made till October, and therefore none are likely to be received on this side before the end of the year.

East India Company.—On the 1st of September the East India Company as a corporation ceased to exist. The affairs will be hereafter managed by the India Council, consisting of fifteen members. Of these, seven were elected by the court of directors, viz., Mr. Charles Mills, banker; Mr. John Shepherd (Governor of Hudson's Bay

Co.); Mr. Eliot Macnaghten; Sir James Weir Hogg; Mr. R. D. Mangles; Mr. W. J. Eastwick; Mr. H. T. Prinsep. The other eight members were selected by the Government.

A Mint at Hong Kong.—It appears that the monetary system of China, both among the natives themselves, as well as between foreigners and Chinese, is the most barbarous and clumsiest imaginable. While in Hong Kong, Canton, and the southern provinces, the Mexican dollar is current, Shanghai and the North have no circulating medium at all, the tael, in which accounts are kept, being a purely imaginary coin. The foreign merchants and the Chinese at Shanghai can, therefore, only approach one another through the medium of the native bankers, or shroffs, or the business is reduced to a mere barter. The absence of any distinct circulating medium is a constant source of embarrassment in all our trading operations in the north of China, and under the extension of commerce likely to follow the new treaty, the adoption of some remedy will be indispensable. It is, therefore, proposed that a mint should be established at Hong Kong, there being every reason to believe that a dollar coined by the British Government under the eyes of the Celestials would soon supersede all others. Whether the Government will listen to the suggestion remains to be seen.

The Coinage.—It is a thing not generally known that the whole of the coinage of England is struck by atmospheric pressure. At the Royal Mint there are eight coining presses, each capable of producing 60 pieces of any kind of coin—from the silver three-halfpenny piece of our West Indian colonies to the crown piece of our own circulation—per minute, including stoppages for renewal of dies, &c. These presses are on what is called the screw principle—that is, that the upper die is made to rise and fall by the partial revolution of a powerful screw running vertically through the centre of the press. A hollow shaft rests upon the centre of the fly arms which surmount the screw, and attached to it is a lever about 20 inches in length. A horizontal rod, fastened to the lever by a pin and socket, connects the press with a vacuum pump, placed perpendicularly upon a cylindrical vacuum tube lying beneath it. This latter is kept in a state of partial exhaustion (the extent of which is controllable by a relief valve) by the action of an air pump, placed at a distance of nearly 100 yards from the vacuum tube, and worked by a steam-engine. When it is desired to put a press in motion for the purpose of striking any particular kind of coin, the proper dies are fitted, blank pieces brought, and all the proper adjustments made. A communication is then opened by means of a line, lever, and pneumatic valve, between the press, pump, and the vacuum tube; the former is fitted with a piston, and is open at the top. The lower part, now, therefore, becomes exhausted, and the atmosphere acting upon the piston carries it rapidly to the bottom of the cylinder, and since the end of the coining press lever is attached to the piston, and the lever to the screw of the press, it follows that a blow is struck on the disc of metal placed under the die—in short, a coin is produced. The whole apparatus now becomes self-acting, and coins fall out from the press as rapidly as described, until the supply of blanks fails, when of course operations cease. The whole coinage of England may be said to have been thus pumped into existence. The eight presses are fitted precisely in the same manner, and when all are engaged in stamping sovereigns the rich stream flows from them with bewildering beauty and richness.—*The London Engineer.*

The Vintage of 1858.—The *London Economist* of August 28, furnishes the following summary of the prospects of the vintage the present year in the wine-growing districts of France:

Great anxiety is experienced at present with respect to the vintage, reports having been circulated by (it is believed) interested speculators, that the dry weather has prevented the growth of the grape. As the question is of general interest, we give our readers a summary of the information collected in the principal wine-growing districts: Alby.—The vineyards are flourishing; the odium has caused but little injury, and an abundant vintage is expected. Blois.—The black grapes are beginning to ripen; the white grapes are nearly ripe, the appearance of the vineyards is perfectly satisfactory. Bourg.—The vineyards are in the best condition—the grapes are beginning to ripen. Certe.—The continued dry weather has prevented the growth of the grape, and we require great rain to repair the injury. The odium had made its appearance, but was arrested by the sulphur applied to the vines. In the Gard the vineyards are magnificent, except in some elevated positions, where the grapes are suffering from the

drought. *Correze*.—The vintage will be as early this year as in 1822. We expect to drink new wine towards the 15th September. *Limoges*.—The cold weather has retarded the growth of the grape; nevertheless, we expect an abundant vintage. *Marennes*.—The vines are progressing admirably; the grapes are visibly increasing in size. There is no disease. *Montelimart*.—The appearance of a good vintage has produced a fall of 2*f.* the hectolitre. The price is now from 20*f.* a 22*f.* the hectolitre. *Tarbes*.—The vineyards are in the best possible condition. There will be an abundant vintage, and consequently empty casks are selling exorbitantly high. From these accounts it does not appear that there is any chance of a rise in the price of wine during the ensuing season, particularly when we take into consideration the immense stock in the bonded stores of Paris. In the *Bordelais*, the fine appearance of the vineyards has paralyzed the efforts of the speculators for a rise in prices. An early and a more than ordinary abundant vintage is expected.

Bank Directors.—The London correspondent of the *New York Commercial Advertiser* notices an important decision recently rendered in that country, regarding the liability of bank directors, as follows:

An important trial has just been concluded which will have an extensive bearing on the management of joint stock banks, since it establishes the responsibility of directors to make good any loss that may be sustained by persons purchasing shares under the influence of deceptive statements on the part of the Board. Two small proprietors in the *Liverpool Borough Bank*, which stopped last year, have obtained a verdict against the managing director upon evidence that when they bought their shares the bank, instead of being in a prosperous condition as represented, was going rapidly to ruin. The capital of the concern was equal to \$5,000,000, and a vast number of other shareholders who purchased under similar circumstances will now doubtless also proceed against the directors, all of whom will be liable. The case will likewise act as a precedent for many of the ruined proprietors in the *Western Bank of Scotland*, the capital of which was \$6,000,000, and the equally notorious *Northumberland and Durham District Bank*, which stopped at the same time with a nominal capital of about \$3,500,000.

MISCELLANEOUS ITEMS.

Coinage and Export of Gold.—We have taken the pains for our own satisfaction to look over the official figures for a series of years, in order to approximate a safe opinion upon this subject, and they develop some results of striking interest at the present juncture, which ought to inspire feelings of encouragement even in the most desponding. Notwithstanding the enormous depletion of precious metals during the last seven years, it will be seen that the coinage in that period exceeded the exports by an amount almost equal to the whole drainage during the preceding forty-eight years:

	Coinage.	Exports.
1850,.....	\$33,847,822	\$2,894,202
1851,.....	63,888,889	24,016,160
1852,.....	57,845,597	37,169,091
1853,.....	64,291,477	23,288,493
1854,.....	60,603,865	34,488,718
1855,.....	44,060,302	52,587,531
1856,.....	66,794,983	41,587,853
1857, (six months),.....	23,893,782	69,849,133
	\$415,226,717	\$285,881,176
Deduct Exports,.....	285,881,176	
Excess of Coinage,.....	\$129,345,541	
Add total Coinage before 1850,.....	160,000,000	
Total,.....	\$289,345,541	

BANK ITEMS.

NEW YORK.—The North River Bank has recommenced business at the same location as before, No. 187 Greenwich Street. The Bank has been thoroughly examined by the Superintendent of the Bank Department, and its capital now amounts to \$316,000. Levi Appgar, Esq., a well-known grocer on the North River side, has been elected President, and the former Cashier, and the late Receiver, Mr. A. B. Hays, has been reinstated in his position as Cashier. In settling the affairs of this Bank, \$339,000 of its own stock has been received in payment of debts. Every dollar the Bank owed at the time of its suspension, has been paid in full.

Bullion Bank.—An experiment is about to be made in the establishment of a bullion bank. The plan is to found a bank which shall discount only to the extent of its own capital. Its deposits are not to be used, any part of them, by the bank; but are to be retained always in actual cash to the order of the several depositors; the deposits will consequently be always, to the full amount, on hand in coin. The revenue of the bank (other than the interest on its own capital) is to consist of small banking commissions charged to depositors; on small accounts more, on large accounts less. The largest commission proposed is 1-10 of 1 per cent, or \$5 on a person's deposit of \$5,000 per annum; on larger accounts a small annual sum in lieu of commissions. As its projectors propose to limit the dividends to 7 per cent., these charges will be reduced with the increase of business, and will always be kept down to the amount actually necessary to pay expenses. It is urged by the projectors that if this bank be in first-rate hands and consequently its credit perfect, its certificates of deposit representing actual coin in New York, will be used not to circulate as money, but for the purposes of remittance to an extent sufficient to sustain the bank.

NEW ENGLAND.—The affairs of the Bank of Hallowell, Me., Ellsworth Bank, Me., Exeter Bank, N. H., Farmers' Bank of Wickford, R. I., Rhode Island Central Bank, R. I., and Tiverton Bank, R. I., remain in the same state as when they first failed, so far as the public are informed; nothing having been done towards even a partial payment of their liabilities. The other failed New England Banks are progressing slowly with the liquidation of their business; but the amount likely to be eventually paid, it is impossible to determine with any degree of accuracy in most instances, as the larger portion of notes, &c., forming the assets of these corporations, have to be recovered by suits of law. The Hopkinton Bank, and Bank of South County, Rhode Island, will probably pay their bills in full eventually, but some considerable time may elapse before it can be accomplished.

MAINE.—Samuel E. Spring, Esq., was, on the 5th October, elected President of the Casco Bank, Portland, in place of the late Eliphalet Greely, Esq.

MASSACHUSETTS.—A singular trial has been recently before the Supreme Judicial Court of Massachusetts. The Market Bank claims \$5,000 of the Granite Bank, being the amount represented to be contained in a bag of gold received from the latter, and which contained copper cents only. Nothing of this kind could happen now under the operation of the clearing house; but formerly the amounts in dispute were numerous and vexatious. It appears on the trial that on the 26th February, 1856, the Granite Bank drew upon the Merchants' Bank for balance due the former, \$17,000, which was paid in three separate bags of \$5,000 each, and one of \$2,000, all in gold coin. Of this \$17,000, the Granite Bank, on the same day, paid the State Bank \$5,000, the Faneuil Hall Bank \$5,000, the Market Bank \$5,000, all without counting or examination of the parcels. Subsequently the Market Bank paid the Exchange Bank \$5,000, which they say was the same bag received from the Granite, the contents of which were not examined until received by the Exchange, but when examined by the teller at the Exchange Bank, was found to contain cents only. The bag of cents was of the same size and appearance as the \$5,000 gold bags, and somewhat less in weight, being equal to about \$3,000 in gold. This in itself should have created some inquiry when first paid out. It was certified by the officers of the Merchants' Bank that the Bank Commissioners had three days previously to this transaction examined every bag of theirs in their vaults.

At the Merchants' Bank all gold is carefully weighed, and no gold is paid out until it has been thus examined; and moreover, three days before the bag left their Bank,

their gold was examined by the Bank Commissioners and found to be all right. The Granite Bank offered evidence of equal care on its part. The question to be determined is one merely of fact, did the bag contain gold when it left the defendant (Granite) Bank? and to satisfy the jury of this the burden of proof is upon them. The Court ruled, that the burden was on the Granite Bank to show that the bag contained gold and not coppers, when they delivered it to the messenger. The jury stood ten for plaintiffs to two for defendants, twelve hours, and then were allowed to separate. They reported their inability to agree, and a new trial must follow.

Boston.—The Bank of the Metropolis has commenced business at Boston, under the general banking law of Massachusetts, being the first established under that system in the Commonwealth. Samuel A. Way, Esq., President; William H. Foster, Esq., (formerly Cashier of the Bank of Commerce, Boston,) has been elected cashier of the new Bank. The general banking law of Massachusetts, under which the Bank of the Metropolis commences business, was published in the Bankers' Magazine for July, 1851.

Lynn.—Amos P. Tapley, Esq., has been elected President of the City Bank, Lynn, in place of John C. Abbott, Esq.

PENNSYLVANIA.—The Banking movement of Philadelphia for the year has been as follows:

		<i>Loans.</i>	<i>Sp. cie.</i>	<i>Circulation.</i>	<i>Deposits.</i>
Nov. 4, 1837,	.....	\$21,199,462	\$2,071,464	\$2,141,113	\$15,633,788
Jan. 11, 1858,	.....	21,302,374	3,770,701	1,011,033	11,465,253
Feb. 8, "	.....	20,359,226	4,668,085	1,293,046	11,904,519
March 8, "	.....	20,471,166	5,147,615	1,916,352	12,253,282
April 5, "	.....	21,657,152	5,937,597	2,647,399	13,422,318
May 3, "	.....	22,243,824	7,027,712	2,329,617	15,529,718
June 7, "	.....	23,542,750	6,985,208	2,406,368	15,776,251
July 5, "	.....	24,311,928	6,635,877	2,434,181	16,559,846
August 2, "	.....	24,524,569	7,070,145	2,502,278	17,553,781
Sept. 6, "	.....	21,928,151	6,635,856	2,520,501	17,426,777
Oct. 4, "	.....	25,248,410	7,139,461	2,677,116	17,506,426
Oct. 11, "	.....	25,242,851	7,102,940	2,804,030	17,224,619
Oct. 18, "	.....	25,440,705	7,261,211	2,748,492	17,239,952

MARYLAND.—The Fremont Savings Institution, of Baltimore, having complied with the provisions of the Act of Assembly, will hereafter transact business under the name of the People's Bank of Baltimore. The banking house is located at the north, east corner of Baltimore and Paca streets.

GEORGIA.—The Branch Commercial Bank of Brunswick, at Columbus, has closed its business, or is winding up its affairs.

INDIANA.—The Jeffersonville branch of the Bank of the State of Indiana, has been restored, with Jonathan S. Herve as President. This branch was suspended by the State Board last winter for irregularities in the transaction of its business.

IOWA.—We learn from Iowa City that the Board of Directors of the State Bank adjourned their meeting after having settled up the organization of eight Branches of the State Bank. Notices have been issued to these Branches, which are, within ten days after its reception, to elect a member of the Board of Directors of the State Bank of Iowa. The time for the meeting of the new Board, to be elected by the newly organized Branches, is fixed for the 27th instant.

The following is a list of the organized Branches settled up:—1. Merchants' Branch at Davenport. 2. Muscatine Branch of the State Bank of Iowa at Muscatine. 3. Iowa City Branch of the State Bank of Iowa at Iowa City. 4. Branch of the State Bank of Iowa at Des Moines. 5. Dubuque Branch of the State Bank of Iowa at Dubuque. 6. Oskaloosa Branch of the State Bank of Iowa at Oskaloosa. 7. Mt. Pleasant Branch of the State Bank of Iowa at Mt. Pleasant. 8. Keokuk Branch of the State Bank of Iowa at Keokuk.

The Dubuque Branch of the State Bank of Iowa has been organized with F. V. Goodrich, President, and R. E. Graves, cashier.

Mr. Graves was formerly for several years cashier of the Brighton Market Bank, Massachusetts.

MISSOURI.—The regular weekly statements of the Banks of St. Louis, as compared with the showing of last week, are as follows:

<i>Banks.</i>	<i>Circulation.</i>	<i>Ex. Mat'ng.</i>	<i>Specie.</i>
Merchants' Bank.....	\$228,910	\$533,533	\$378,670
Bank of St. Louis.....	169,790	141,376	116,492
Southern Bank.....	155,690	173,179	169,992
Mechanics' Bank.....	187,065	270,288	179,523
Exchange Bank.....	177,790	174,931	132,590
State Bank.....	544,445	703,566	619,264
Totals.....	\$1,463,690	\$2,096,874	\$1,596,533

St. Louis.—We fear that the Banks in St. Louis have adopted a retrograde movement in the currency—in making a distinction between paper issued at St. Louis and that issued by the interior banks or branches. All the bank paper issued in the State should be upon a level—no distinctions should be made; and in order to meet the obvious demands of commerce, exchange on New York should be furnished at $\frac{1}{2}$ a $\frac{1}{2}$ premium. The State Savings Institution at St. Louis has adopted the following rule: "From and after Monday, the 27th Sept., this Institution will keep separate accounts for bank notes of the Branch Banks and Country Banks in this State, under the head of "bankable funds," and checks will be paid in such funds as are deposited, or to the credit of customers."

OHIO.—In the United States Circuit Court at Cincinnati, October 18, Judge McLean presiding, on an application filed by Henry Stanberry's attorneys, Bell and Grant of London, and Thompson Nesmith for other creditors of the Ohio Life and Trust Company, (representing claims to the amount of \$700,000,) an injunction was granted against the assignees of said company, restraining them from disposing of the property under their control. An application for the appointment of a receiver before the Supreme Court, has been granted, and the sheriff of Hamilton county has been appointed receiver.

TEXAS.—Col. Samuel M. Williams, a native of Baltimore, and a resident of Texas for about 35 years, died at his residence near Galveston, on the 13th, aged 65 years. At the time of his death he was and had been for many years President of the Commercial and Agricultural Bank of Texas. He attained the highest social and commercial position, and filled many offices of trust and honor through the eventful history of the Lone Star Republic, and was one of the leading spirits of the Texas Revolution. The Bank is now in process of liquidation, and no other can be established in that State without a change in the Constitution.

WISCONSIN.—The La Crosse County Bank has been established at La Crosse, under the general banking law; W. H. Lathrop, Esq., president; W. W. Webb, Esq., cashier. *Wisconsin Currency.*—A bankers' association has been formed in Wisconsin equivalent to a State clearing house, whereby the bank circulation of the State is brought near a specie standard. They agree to furnish exchange on New York at $\frac{1}{2}$ or 1 per cent. premium. Twenty-six banks have already joined this association, whose object is a laudable one. At their meeting on the 22d ult. it was resolved that the banks of Wisconsin located at inaccessible points, and banks of circulation merely, be required to redeem their circulating notes at Milwaukee, in New York exchange at $\frac{1}{2}$, or at Madison at $\frac{3}{4}$ per cent. below the current selling rates of exchange in Milwaukee, provided that no bank will be required to redeem at Milwaukee at less than $\frac{1}{2}$, or at Madison at less than $\frac{1}{4}$ of 1 per cent. premium.

A subsequent resolution, of the same date, determines the date at which such redemption shall commence, to be on the 1st day of October, 1858, and was agreed to by the Arctic Bank, Bank of La Pointe, Bank of Manitowoc, Bank of Moneka, Bank of North America, Bank of Oconto, Chippewa Bank, Clark County Bank, Laborers' Bank, Lumberman's Bank, Marathon County Bank, Northern Wisconsin Bank, Oakwood Bank, Oconto County Bank, Shawanaw Bank, State Security Bank, State Stock Bank, St. Croix River Bank, St. Croix Valley Bank, Tradesman's Bank, Wisconsin Valley Bank, Frontier Bank, Brown County Bank, Fox River Bank, Green Bay Bank, Mechanics' Bank, Superior.

PRIVATE BANKERS.—Messrs. Redmond, Lovell & Co. have relinquished business at Dubuque, and transferred their collection paper to Messrs. Gelpcke and Winslow, bankers at that city.

ILLINOIS.—Messrs. J. Jassoy & Co., bankers at Naperville, succeed the Bank of Naperville.

Peoria.—The firm of Goodell, Ellwood & Co., Peoria, Illinois, is succeeded by the Central Bank, of which Mr. A. B. Safford is president, and Mr. C. S. Matteson, cashier, who will make collections throughout the west. Their New York correspondent is the Bank of North America. (*See their card on the cover of this work.*)

Quincy.—The Quincy Savings Bank and Insurance Co., of which Mr. C. B. Clark is cashier, with ample capital, make collections on all points east and west. This company refer to the Metropolitan Bank, N. Y.; the Market Bank, Boston, and others. (*See their card on the cover of this work.*)

MINNESOTA.—The banking firm of Messrs. Macubin and Egerton, at St. Paul, has been dissolved.

INDIANA.—Messrs. Allen, Hamilton & Co., bankers at Fort Wayne, will collect at all points in that State. (*See their card on the cover of this work.*)

TEXAS.—The Commercial Bank at Galveston having relinquished business, we refer our readers to the card of Mr. Geo. Butler, banker, and to that of Mr. E. P. Hunt, banker, at that place, by whom collections of commercial paper will be made. (*See their card on the cover of this work.*)

LONDON.—The half-yearly court of the proprietors of the Bank of England took place September 16th, Mr. Sheffield Neave, the governor, presiding. The profits for the six months ending August 31, were stated to be £628,770, making the amount of the rest on that day £3,676,868. A dividend at the rate of $4\frac{1}{2}$ per cent. for the half-year was declared, leaving the rest £3,021,983. Satisfaction was expressed that, notwithstanding the low rate of interest lately prevalent, a distribution at this rate could be made.

English Banks.—The London Bankers' Magazine furnishes the returns of the circulation of the private and joint stock banks in England and Wales for the four weeks ending the 28th of August. These returns, combined with the circulation of the Scotch and Irish banks for the same period, and the average circulation of the Bank of England for the four weeks ending the 25th of August (the nearest date furnished by their returns), will give the following results of the circulation of notes in the United Kingdom, when compared with the previous month:

	July 31.	Aug. 28.	Dec.
Bank of England.....	£20,584,004	20,548,895	35,109
Private Banks.....	3,204,874	3,126,401	78,473
Joint Stock Banks.....	2,739,561	2,684,072	55,489
Total in England.....	£26,528,439	26,359,368	169,071
Scotland.....	3,780,272	3,723,954	56,318
Ireland.....	5,749,407	5,664,962	84,445
United Kingdom.....	£36,058,118	35,748,284	309,834

And as compared with the month ending the 29th of August, 1857, the above returns show an increase of £623,970 in the circulation of notes in England, and a decrease of £144,929 in the circulation of the United Kingdom. On comparing the above with the fixed issues of the several banks, the following is the state of the circulation:

English private banks below their fixed issue.....	£1,278,534
Do joint stock do do do	618,285
Total below fixed issued in England.....	£1,896,819
Scotch banks are below their fixed issue.....	636,745
Irish do do do	689,532

The average stock of bullion held by the Bank of England in both departments during the month ending the 25th of August, was £17,419,444, being an increase of £228,678 as compared with the previous month, and an increase of £6,100,840 when compared with the same period last year. The following are the amounts of specie held by the Scotch and Irish banks during the month ending the 28th of August:

Gold and silver held by the Scotch banks.....	£2,313,984
Do do do Irish banks.....	2,391,694

Notes on the Money Market.

NEW YORK, OCTOBER 26, 1858.

Exchange on London, at Sixty days' sight, 9½ a 10 premium.

The money market is in an easy condition throughout the Atlantic cities. Capital is abundant for all business purposes, and holders find some difficulty in placing their funds at the legal rate in this State. We have rarely known the terms for loans more favorable to the borrower, viz.:

Loans on call, with stock securities,.....	3 a 3½ per cent.
Do other good securities,.....	3½ a 4½ "
Prime endorsed bills, 60 a 90 days,.....	4½ a 5 "
Do do 4 to 6 months,.....	5 a 6 "
First class single signatures,.....	5 a 7 "
Other good commercial paper,.....	7 a 8 "
Names not well known,.....	8 a 10 "

We hear of occasional transactions on a large scale on call at 2½ per cent., but the current rate for stock collaterals is seldom under 4 per cent.

The domestic exchange market presents more favorable features than heretofore. On all the western cities the rates are quite low; say ½ a 1 per cent. premium. At Vicksburg, Augusta, Geo. Mobile and other points, south and west, exchange on New York is readily obtained at par.

We renew our summary of the quotations of foreign exchange since July last:

	July 26.	Aug. 24.	Sept. 24.	Oct. 25.
London, 60 days, Bankers' Bills,.....	109½ a 109½	109½ a 109½	110 a 110½	109½ a 110
Do do Mercantile Bills,	109 a 109½	109 a 109½	109 a 109½	109 a 109½
Do do with Bills of Lading,	108½ a 109	108½ a 109	109 a 109½	108½ a 109
Paris, 60 days' sight,.....	5.12½ a 5.11½	5.11½ a 5.10	5.13½ a 5.11½	5.12½ a 5.11½
Antwerp, "	5.12½ a 5.11½	5.11½ a 5.10	5.12½ a 5.11½	5.12½ a 5.11½
Hamburg, "	36½ a 37	36½ a 36½	36½ a 36½	36½ a 36½
Bremen, "	79½ a 80	79½ a 79½	79½ a 79½	79½ a 79½
Amsterdam, "	41½ a 41½	41½ a 41½	42½ a 42½	41½ a 41½

The banking movement of New York is a very uniform one. The loans are reduced since the close of September about \$1,400,000. The deposits are increasing, both from domestic and foreign sources, being nearly thirty millions in excess of those at the close of the year 1857. We annex our usual summary of the leading items:

1858.	Loans.	Circulation.	Deposits.	Sub-Treasury.	Bank Specie.	Total Specie.
Jan. 2,	\$98,549,000	\$6,490,000	\$78,635,000	\$3,259,000	\$28,561,000	\$31,820,000
Feb. 6,	103,602,900	6,873,000	86,000,000	3,168,700	30,652,900	33,821,600
Mar. 6,	105,021,000	6,854,000	90,382,000	2,996,700	32,739,700	35,736,400
April 3,	110,588,000	7,232,000	93,589,000	5,548,000	31,530,000	37,078,000
April 24,	111,003,000	7,140,000	95,340,000	3,695,000	34,113,200	37,808,800
May 1,	111,863,000	7,431,000	98,438,000	3,145,400	35,064,200	38,209,600
June 5,	116,424,000	7,548,000	101,439,000	5,261,300	32,790,300	38,053,600
July 3,	119,812,000	7,458,000	106,803,000	5,620,000	33,830,200	39,650,200
Aug. 7,	120,292,000	7,784,000	107,454,000	5,553,000	35,145,000	40,698,000
Sept. 4,	125,885,000	7,742,000	103,347,000	13,077,000	28,842,000	41,125,000
Sept. 11,	125,013,000	7,830,000	102,897,000	12,626,000	28,059,000	40,686,000
Sept. 18,	124,649,000	7,313,000	104,738,000	12,612,000	28,808,000	41,420,000
Sept. 25,	124,118,000	7,864,000	102,429,000	11,838,000	28,628,000	40,463,000
Oct. 2,	123,659,000	7,875,000	104,901,000	11,100,600	28,533,000	39,633,700
Oct. 9,	121,599,000	7,980,000	105,565,000	10,476,649	29,170,000	38,646,800
Oct. 16,	124,216,000	7,890,000	106,497,000	10,198,800	28,506,000	38,705,300
Oct. 23,	124,874,000	7,879,000	108,072,000	9,605,800	28,651,400	38,287,200

The increased volume of capital held for investment, both temporary and permanent, and the fears on the part of many persons, that eventually we may have a recurrence of the financial scenes witnessed in September and October, 1857, have led to propositions for the establishment of a bullion bank in this city. Several of our leading capitalists are friendly to the scheme, not as a source of large profit, but as a perfectly secure depositary for many who doubt the permanence of our banking system. It is proposed to make the capital \$1,200,000. This sum, we learn, can be supplied by twelve shareholders of \$100,000 each. It is thought that the bank will earn six per cent. dividend, with a fair margin for a sinking or reserve fund. It is proposed that the capital only shall be used for loans, and that the deposits shall remain intact, at all times, in the shape of bullion or coin. A charge will be made to depositors and country correspondents, of 1-10th of one per cent. on the amount of their account, and estimating the aggregate checks paid for the year to be \$50,000,000, or one million per week, this commission or charge will produce fifty thousand dollars, or 4 1/2 per cent. on the amount of capital. We merely allude to the proposition now, and shall take occasion in our next number to reproduce the plan with its details.

The stock market for the month exhibits enormously large sales, with an advance in nearly all the shares quoted. More attention seems to be given to State Bonds, and holders ask better prices. Of Missouri Six per Cents. the sales have been large at 85 a 90; Ohio Six per Cents. of 1860 are quoted at 102 a 103 1/2; Maryland Sixes, 105, nominal, there being no bonds in the market. There is a large surplus of cash in the State Treasury of Maryland, and the State treasurer is authorized by law, at his discretion, to invest at any time such portion of it as he may think proper for the benefit of the sinking fund of the State. The high price of the Maryland six per cent. stock, being six per cent. above par, has deterred him for some time past from purchasing at the premium indicated. It is understood, however, that the treasurer, rather than permit so large an amount of money longer to lie idle, has concluded to make investments in Virginia State Stock to the amount of \$200,000 or more for the sinking fund. The difference between the two being ten per cent. in favor of Maryland. We annex the current rates for the past eight weeks:

	Sept. 3d.	10th.	17th.	24th.	Oct. 1st.	8th.	15th.	22d.
U. S. 6 per cents. 1867-'8.....	114	114	114	113 1/2	113 1/2	114	114	113 1/2
U. S. 5 per cents. 1874.....	103 1/2	103 1/2	103 1/2	103	103 1/2	103 1/2	104	104 1/2
Ohio 6 per cents. 1886.....	106 1/2	106 1/2	106	106	106	105 1/2	106	106 1/2
Kentucky 6 per cents.....	104	104	104	103 1/2	103 1/2	103 1/2	104 1/2	105
Indiana 5 per cents.....	88 1/2	88 1/2	89	88 1/2	89	90	91	91 1/2
Pennsylvania 5 per cents.....	89	89	89	89 1/2	89 1/2	89 1/2	90 1/2	91 1/2
Virginia 6 per cents.....	92 1/2	92 1/2	93	92 1/2	93	93 1/2	93 1/2	95 1/2
Georgia 6 per cents.....	100	100	100	100	98	99 1/2	99 1/2	101
California 7 per cents. 1877.....	82	82	81 1/2	82	82 1/2	82 1/2	87	87
North Carolina 6 per cents.....	95	95	94	94 1/2	94	94 1/2	96	97 1/2
Missouri 6 per cents.....	84 1/2	84 1/2	84 1/2	84 1/2	84 1/2	86 1/2	87 1/2	88 1/2
Louisiana 6 per cents.....	92 1/2	92 1/2	92	91	91	90 1/2	93	94 1/2
Tennessee 6 per cents.....	90 1/2	90 1/2	90 1/2	90 1/2	90 1/2	91 1/2	92 1/2	94 1/2

There is a gradual approach to par in all the State Six per Cents. now in the market. Since the close of September, we note an advance in Tennessee Sixes, 4 per cent.; Louisiana, 2 1/2; Missouri, 4; North Carolina, 3 1/2; Georgia, 1; Virginia, 2 1/2. The price of Pennsylvania and Indiana five per cents. is equivalent to 104 a 106 for a six per cent. stock. The public debt of North Carolina amounts to \$6,765,535, four-fifths of which will mature between the years 1883 and 1888; the average amount maturing for the next ten years (1859-1868) being about \$110,000. Nearly the whole of this sum of six millions and upwards has been applied to the construction of railroads and canals, or loans to these several works to aid their construction. The finances of few States have been better managed than this. Their bonds are now worth 97 a 98. The revenue of the State from taxation alone has increased since the year 1850 from \$141,000 to \$467,000. The miscellaneous expenditure of the State being (in 1857 for instance) only \$202,000, there is ample revenue to meet any contingent demand arising from the suspension of any of the railroad companies to whom State aid has been granted.

The market for railroad shares has improved materially during the month. The transactions have been large in New York Central shares, Chicago and Rock Island, and Galena and Chicago. Few are yet quoted above par, viz. Panama, 119 a 119 1/2; New Jersey, 129; New Haven and Hartford, 117 1/2 a 118 1/2; Michigan Southern Guaranteed Stock is quoted at 53 1/2 a 54; Stonington, 60; Delaware and Lackawanna, 25 a 30; Mason and Western, 78 a 80; Pennsylvania Central, 86 a 87. Since the close of September New York Central has improved 7 1/2; Reading, 4 1/2; Hudson River,

29½: Michigan Central, 3½; Michigan Southern, ½; Panama, 6; Illinois Central, 8; Chicago and Rock Island, ½. We annex the current rates for the past eight weeks:

	Sept. 3d.	10th.	17th.	24th.	Oct. 1st.	8th.	15th.	22d.
N. Y. Central R. R. shares,.....	79½	79½	78	77½	81½	83½	84½	85½
N. Y. & Erie R. R. shares,.....	18	18	17½	17	16½	15½	15½	15½
Harlem R. R. shares,.....	10½	10½	10½	10½	10½	10½	12½	12½
Reading R. R. shares,.....	49	49	46½	46½	47½	48½	50½	51½
Hudson R. R. shares,.....	28½	28	27	27	27½	27	28½	29½
Michigan Central R. R. shares,.	58	58½	54	50½	51½	54½	57	57½
Michigan Southern R. R. shares,	23½	26½	23½	23	23½	53½	24	24½
Panama R. R. shares,.....	114½	113½	113	115	118½	116½	118	119
Baltimore & Ohio R. R. shares,	59½	57½	57	55½	54½	53½	58½	57
Illinois Central R. R. shares,....	76	75	75½	77½	79½	79	80½	83½
Cleveland and Toledo R. R....	34½	34½	32½	31½	32	31½	34½	34½
Chicago and Rock Island R. R	72½	72½	68½	65	63½	66	67½	68½
Milwaukee and Miss. R. R.....	16½	16½	16	17½	16	15½	16½	16
Galena & Chicago R. R. shares,.	83½	83	83	82	84½	84½	82½	82½
La Crosse & Milwaukee R. R....	3½	3	2½	3	4½	4½	4½	4½

Erie railroad bonds have improved during the month without any change in the aspects of the company. First mortgages are held at 96 a 98; third mortgages, 76½ a 80; fourth mortgages, 56½ a 57. We note an improvement in the Seven Per Cents of 1859, 1½; Sinking Fund Bonds, 2; and Convertibles of 1871, 3; Illinois Central Sevens have advanced 3; La Crosse Land Grants, ½; Michigan Central Eight Per Cents, are held at 96 a 98; Hudson River second mortgages, 90½ a 91; third mortgages, 70½ a 70½; New York Central Sevens, 105. The City of St. Joseph (Missouri) offer \$50,000 Ten Per Cent. Bonds redeemable in 1878.

Of the Erie first and second mortgages the entire issue of first mortgage bonds is....\$3,000,000
And of second mortgage bonds is.....4,000,000

Together,\$7,000,000
Secured by property which has cost about \$38,000,000, say over five and a half times the amount of the two mortgages. The President in his circular says, "After the experience of the past twelve months, I am more convinced than ever that no scheme to extricate the Company from its financial embarrassments could be devised which would offer the same advantages to all the interests involved, as the one adopted by the Company. To the holders of unsecured bonds it affords an opportunity to exchange them into mortgage bonds, offering perfect security even in the event of the company's property passing into the hands of receivers. To capitalists it offers at present rates of unsecured bonds, an undoubted investment yielding about 12 per cent. per annum, besides the certainty that as soon as the company is extricated from its embarrassments, the market value of the investment will greatly add to their capital. To the Company it insures relief without sacrifice, which is indispensable to its future welfare."

We annex the closing prices of miscellaneous securities for the past eight weeks:

	Sept. 3d.	10th.	17th.	24th.	Oct. 1st.	8th.	15th.	22d.
Erie Railroad 7's, 1859.....	89½	89	86	85	84	81½	82	83½
Erie Sinking Fund bonds, '75..	30½	31	32½	32½	32	32	33	35
Erie Convertibles, 1871.....	30½	30	30	30	30½	31	32	35
Hudson River R. R., 1st mort...	102	101	100½	100	100½	101	101½	101½
Panama Railroad bonds.....	112	114	113	113	113	113	115	115
Illinois Central 7s	91½	90½	90½	91½	92	89	90	93
New York Central 6s.....	90	89½	90	90½	91	92	93	93
Canton Co. shares.....	20	20	19½	18½	18½	—	19½	21
Pennsylvania Coal Co.,.....	75½	75	74½	74	73½	76	76	79½
Cumberland Coal Co.....	—	—	17	—	—	—	—	—
Del. and Hudson Canal Co.....	98½	92½	98½	97½	97½	99	99½	100
La Crosse Land Grant bonds...	23½	24½	24	25½	26½	25½	27	27½
Pacific Mail Steamship Co.....	89	91½	94½	99	105	101	105½	105½

Of the London money market, the following extract from the London Times, of October 8th, will perhaps give the best view:

The bank court broke up to-day without deciding upon any alteration in their rate of discount. Of course it is impossible to judge the motives of their course, and as it can make no ultimate difference in the supply of money, which will find its level under all circumstances, there is no

occasion for any speculation on the subject. All that can be remarked is, that the present refusal to make advances at the market rate is at entire variance with the precedents of former years, while it is also inconsistent with the usual ideas of the duties a joint stock establishment owes to its proprietary on the one hand and its customers on the other. If the hope is to check the possibility of inflation, the intention must be contemplated with respect, whatever may be the opinion as to the utility of the means. Like all attempts to put commerce under restraints—whether the article to be dealt in is money, grain, cotton, or any thing else—it can only end by increasing the evil it is intended to avert; but as every deviation in political economy has always been accomplished under the cry of “prudence,” doubtless a large number of people will hail the example with great satisfaction. There is no danger at this moment of inflation, for the simple reason that every one is looking for it, but the tendency will undoubtedly gradually develop itself in proportion as the influx of gold continues, and the time will arrive when the proclamation of any downward movement by the bank will act as a spark, the susceptibility to excitement being universal. The effect of delay, therefore, is merely like that of a dam, and the tide will be more intractable in proportion.

If inflation is dreaded this week, when there has been a large addition of gold, what will be the chances seven days hence, when the dividends will be in course of payment, and the *Persia* most likely will have brought a further large sum from New York, and we shall also have received a new quantity from Russia, and perhaps from Australia? Obviously, if the bank intend to follow the market at all, they had better follow it naturally, instead of by jerks according to caprice. If, on the other hand, they do not intend to be led by it, and have resolved to revive the old practice, which has lately even been exploded by the Bank of France, of declining to make any profits at all unless those profits can be obtained at a certain rate, a short time will show whether their self-sacrifice accomplishes its object of preventing money from being cheap, and meanwhile they will have to render their theory palatable to the holders of their stock. Looking, however, at the ability and steadiness with which the bank has been managed during the last ten years, it is scarcely to be imagined that there is any real intention to revert to the practices that formerly prevailed, and that comported well with the doctrines of protection and prohibition. It will be more acceptable to infer that the anomalous experience of the moment may be attributed to some casual or exceptional cause; or, better still, that it may be a consequence of an approaching determination to abandon altogether the objectionable and unbusiness-like system of fixing arbitrary rates for any period whatever.

At the last date from London, consols had reached 98½, with an easy market. We annex a comparative view of the specie held by the banks of six cities:

SPECIE IN BANKS.

Cities.	1857. October.	1858. April.	1858. July.	1858. October.
London.....	\$35,850,000	\$88,627,000	\$94,217,000	\$96,230,000
Paris.....	35,585,000	71,780,000	98,991,000	119,000,000
N. York.....	7,848,000	32,036,000	35,328,000	28,200,000
N. Orleans.....	3,230,000	10,872,000	10,877,000	11,300,000
Boston.....	2,563,000	8,505,000	9,023,000	8,600,000
Philadelphia.....	2,071,000	6,183,000	6,399,000	7,300,000
Total.....	\$86,743,000	\$218,003,000	\$254,855,000	\$270,550,000

France is thus absorbing much of the gold which should remain in our own country as the results of domestic labor.

DEATHS.

Suddenly, at his residence in WOODFIELD, near Quebec, Canada, on Sunday, the 10th October, after returning from church, of disease of the heart, JAMES GIBB, Esq., aged 59 years, president of the Quebec Bank. The deceased was born at Carlisle, Lanarkshire, Scotland, and lived as a merchant in Quebec for the last forty years.

At CAMBRIDGEPORT, MASS., Saturday, October 16th, MARTIN LANE, Esq., aged 73 years, cashier for nearly thirty years of the Cambridge Bank.

THE
BANKERS' MAGAZINE,
AND
Statistical Register.

VOL. VIII. NEW SERIES.

DECEMBER, 1858.

No. 6.

NEW VIEWS OF THE CURRENCY QUESTION.

[*Papers read before the Currency Reform Association of New York.*]

No. I.—BY GEORGE OPDYKE.

Read October 13, 1858.

It is admitted on all sides that our present system of currency is defective. We meet for consultation on the nature of these defects, and to consider the best means of removing them. At our previous meeting, Mr. E. presented a very able paper in favor of a gold note currency, to be issued by the U. S. Treasury, in exchange for actual deposits in coin. This plan of reforming our currency is evidently based on the assumption that its chief defect consists in the issue and circulation of bank notes which do not represent an equal amount of coin set apart for their redemption. In the discussion which followed the reading of that paper, Mr. V., perceiving that its arguments were grounded on this theory, expressed his hearty concurrence in this view of the subject, and at the same time his dissent from an opinion which I had elsewhere advanced, that deposits in bank constitute a portion of our currency. It will be remembered that on this point he and I joined issue, and agreed to submit our respective arguments at this present meeting. With your permission I will now present mine.

In doing this I shall hope to show, not merely that deposits in bank constitute a portion of our currency, and perform the office of money, but that they constitute its most important and most disturbing element. Of the three functions exercised by our banks—the functions of discount, of

deposit, and of circulation—I hold that the first and second exercise a much more pernicious influence on the soundness and stability of our currency than does the third, and that until we find some effectual means of controlling their discount lines, we can never hope for a stable and reliable currency. But to the argument.

The first step towards the ascertainment of truth is a clear apprehension of the boundaries and divisions of the subject under examination, and a precise definition of the terms employed. In the present advanced state of economic science, there are some principles as well established and as universally received as are the axioms and definitions of mathematical science. Among them are these: All wealth is produced by the joint service of industry, capital and land. Mining and agriculture produce it by increasing the earth's products; the manufacturing and mechanic arts produce it by changing the forms of these products; commerce produces it by shifting the locality, by exchanging and by distributing to consumers all kinds of useful products; and *Money* is an instrument of commerce designed to facilitate the exchange of products, by presenting an equivalent in a portable and convenient form. While it is the province of a ship to transport products from one market to another, it is the province of money to measure their value, and at the same time to transfer them from one owner to another by changing places with them. This is its only office. In doing this, it greatly facilitates the production of wealth, for without it, commerce would be compelled to execute its exchanges by the tedious and expensive method of barter. After trying many other things, the commercial world long since adopted gold and silver as this measure of value and instrument of transfer. These metals do not constitute a perfect measure of value, inasmuch as their purchasing power varies with the oscillations of supply and demand, and it is permanently affected by every discovery of new and richer mines; nor are they free from objections as an instrument of transfer, on account of the trouble and expense incident to their counting and transportation; but take them all in all, they are doubtless better adapted to the purpose than any other material that could have been chosen.

When this was the only kind of money extant, as it must have been before the era of banking in any of its varied forms, it must of course have performed the entire office of measuring the value of all property bought or sold, and of transferring its ownership by passing from one person to another. If the terms of the transaction were cash, the coin would pass from the buyer to the seller at the same time the property passed from the seller to the buyer; and if on time, the coin would pass to the seller when the buyer's obligation matured. In short, no commercial transactions of any kind, no purchases or sales, either at wholesale or at retail, could then have taken place without the actual presence and transfer of money. What was true then is true now. No purchase, or, in the present era of universal credits, perhaps it would be more proper to say, no payment, can now be made without the presence of money in some one of its forms. It must, in every transaction, be present, and pass from the buyer to the seller, or from the debtor to the creditor, either in the form of coin, or of bank notes, or of checks, or of transfers of credit on the ledger of a bank. And it makes no sort of difference which we employ. Whenever either is accepted in payment for property sold, or in payment of debt, it performs the only useful office that any kind of money is capable of performing, inasmuch as it

measures the value and shifts the ownership of the property involved in the given transaction, by changing places with it as an equivalent. It is true we are not in the habit of regarding bank notes, checks and deposits as actual money. When we speak of them we usually designate them somewhat vaguely, currency, or bank currency. But it matters not what name we give them; the question at issue is, do they, or rather, do deposits in bank take the place of legal money and perform its functions? If they do, the correctness of my position is established, for the performance of this function constitutes them a portion of our money, or medium of exchange, or currency, or whatever name you prefer for that instrument with which commerce measures and transfers values.

Now I can scarcely conceive it possible for any one to seriously question the fact of deposits in bank being thus employed. But if such there be, I beg to refer them to the weekly statements of our city banks, and to the daily reports of the Clearing House. From these data they will find that the banks of this city now hold of net deposits, some seventy millions of dollars, about twenty millions of which change hands daily in the purchase of property, and in the payment of debts. And it must be borne in mind that these deposits in bank effect their purchases and payments without the intervention of bank notes or coin; for, by means of checks or transfers of credit on bank ledgers, they are made to pass directly from one owner to another. Nor does this transfer absorb them, or even diminish them; like coin and bank notes, they may, and do, pass through the hands of thousands of different owners without producing the slightest variation in their amount. While this city possesses seventy millions of money in the form of deposits, it has less than eight millions in the form of bank notes, and probably less than one million in the form of coin in actual circulation; for we cannot include the coin held by the banks, since that is not employed in the purchase of goods and in the payment of debts, but is lying idly in their vaults, constituting the slender basis which supports the immense superstructure of convertible money in the form of bank notes and deposits. Consequently, more than five-sixths of all the money now actively employed in this city, is in the form of deposits or inscriptions of credit on bank ledgers. Nor is this surprising, for nearly every merchant uses it exclusively in all large transactions, while bank notes are only employed in retail purchases, and coin in making change for fractional parts of a dollar.

Let us next look into the nature of these deposits which play such an important part in the operations of commerce. What are they, and how are they produced? Bank notes are tangible; we can see them, and handle them; but deposits are something far more mysterious. We would naturally expect to find them in the vaults of the banks which claim to possess them; but if we make the search, we shall find but a small portion of them there, while the balance exist as a fiction in the shape of inscriptions of credit on bank ledgers. To show the manner in which they are produced, it will not be necessary to take a hypothetical case, but merely to trace the operations of our existing banks. They are banks of discount, deposit, and circulation. Let us look at their condition, and the manner in which they exercise their functions. To put the figures in round numbers, we will assume that their capital and profits amount to \$65,000,000, their circulation to \$10,000,000, their specie to \$30,000,000, and their discounts and other investments to \$125,000,000. This would give them \$80,000,000

of deposits, for the sum of the deposits and circulation must always be precisely equal to the excess of loans and other investments over capital. In other words, if we deduct the amount of capital paid in, from the gross amount of loans and other investments, including specie, the balance will be the sum of the circulation and deposits, for the latter are the direct and inevitable product of loans or discounts. To illustrate the correctness of this position, let us suppose that the next bank report shows an increase in the discounts of \$10,000,000, the capital, circulation and specie remaining as before. What will be the effect on the deposits? Let us scan the operation of a bank discount, and we shall see. What is it? It is simply taking satisfactory business paper from a dealer, and placing the amount, less the discount, to his credit on the bank's ledger and on his own pass book. This is all there is in the process of discounting by banks. What will be its first fruits to them and to their dealers? To them it will give on the one hand more bills receivable, on the other, more indebtedness to their dealers in the form of deposits. To the dealers it gives less of bills receivable, and more deposits in bank. In a word, it virtually transmutes bills receivable into money in the form of deposits in bank. Hence, if the banks increase their discounts \$10,000,000, without any variation in capital, circulation, or specie, there must inevitably be an increase of \$10,000,000 in the deposits. So, when the banks curtail their discounts, a diminution of deposits will ensue, precisely equal to the curtailment. Discounts *create* deposits, curtailment *destroys* them. To illustrate these principles by an example, let us suppose that the National Bank makes me a discount of \$1,000. This will give the bank \$1,000 more of bills receivable, and \$1,000 more of indebtedness to depositors; and it will give me \$1,000 less of bills receivable, and \$1,000 more of money in the form of deposits. This \$1,000, in payment for purchases or indebtedness, I pass to A, who is also a dealer with the National Bank. This leaves me with the same amount of money in bank that I had before obtaining the discount; but it has given A \$1,000 more, and the National Bank is still a debtor for \$1,000 more to her depositors. A next pays the \$1,000 to B, who keeps his account in the Bank of Commerce. The latter, through the clearing house, collects this amount from the National Bank either by offset or in coin. If by offset, it does not disturb the relative positions of the two banks; but if in coin, it leaves the National Bank with \$1,000 less of coin, and \$1,000 less of indebtedness to depositors, and the Bank of Commerce with \$1,000 more of coin, and \$1,000 more of indebtedness to depositors; and the increased deposit still exists, but it is now in the hands of B. B may pass it to C, and C to D, and so on to the end of the alphabet, and it will still remain an augmentation in the deposits, until the National Bank receives payment for the discount it made me. This instantly annuls the \$1,000 of augmented deposits, for it is a curtailment of discounts to that extent. To render this matter still clearer, let us suppose I had borrowed the \$1,000 of you individually, Mr. Chairman, instead of getting a discount at the National Bank. You would have drawn your check on that bank, and I would have deposited it there. The result would have been, not an increase of deposits as when I borrowed of the bank, but a mere shifting of them; you would have had \$1,000 less of deposits, and I \$1,000 more, but the aggregate would have remained the same. This shows that bank discounts differ from private loans, and that it is their abuse, and not the abuse of credits among merchants, that inflates the currency. So certain is it that

deposits in bank are produced and governed by the discounts, and the extent to which their lines are carried, that I will promise, in the case of any one bank, or of all banks, with the amount of capital, circulation, specie, and discounts given, to tell the amount of deposits; or, with the amount of capital, specie, circulation, and deposits given, to tell the amount of discounts.

But independent of the enlargement and curtailment of the discount lines, there is one other way in which the deposits in bank may be, and are, increased and diminished; and that is by the deposit, and by the withdrawal, of *specie*. Deposits in specie are absolute augmentations of the deposits; withdrawals of specie are absolute diminutions of the deposits; because the one constitutes an absolute increase of bank indebtedness, the other an absolute payment of indebtedness. And this explains the phenomenon which Mr. L. referred to the other evening, when he stated that he had always observed a diminution in the deposits in the early part of August, before the banks commenced curtailing their discounts; for at that season of the year shipments of specie to Europe are usually active in the absence of free shipments of produce, and at the same time coin is drawn from the seaboard to the West, to aid in moving the crops. These concurrent drains diminish the specie reserve of our banks, and to precisely the same extent diminish their deposits, provided their discount line remains stationary.

If I have succeeded in making myself understood, I think I have proved: First, that where banks of discount, deposit, and circulation exist, as in this city, commerce employs three kinds of money; namely, coin, bank notes, and deposits in bank; that of the three, the latter constitutes by far the most important section; and that if we do not like to call any thing so intangible by the name *money*, we must at least admit that *it takes the place of money*, and to all intents and purposes performs the office of money. And, secondly, that these deposits are the creations of bank discounts; that they are in reality the shadow of bills receivable, transmuted into money by the granting of bank credits to their dealers; and that the more these credits are extended, the greater will be the amount of deposits, and, consequently, the greater will be the inflation of the currency, and the more mischievous the effects on commerce.

Lest my friend Mr. V. should fail to be convinced by my argument, I must beg to fortify it by an extract from John Stuart Mill, than whom there is no higher authority. In his *Pol. Ec.*, vol. ii., page 69, he says—"The extension of credit by entries in a banker's books, has all that superior efficacy in acting on prices which we ascribed to an extension by means of bank notes. As a bank note of £20, paid to any one, gives him £20 of purchasing power based on credit, over and above whatever credit he had of his own, so does a check paid to him do the same; for, although he may make no purchase with the check itself, he deposits it with his banker, and may draw against it. As this act of drawing a check against another which has been exchanged and cancelled, can be repeated as often as a purchase with a bank note, it effects the same increase of purchasing power. The original loan or credit given by the banker to his customer is potentially multiplied as a means of purchase, in the hands of the successive persons to whom portions of the credit are paid away, just as the purchasing power of a bank note is multiplied by the number of persons through whose hands it passes before it is returned to the issuer."

"These considerations," he continues, "abate very much from the importance of any effect which can be produced in allaying the vicissitudes of

commerce, by so superficial a contrivance as the one so much relied on of late, the restriction of the issue of bank notes by an artificial rule."

It will be seen that these views harmonize perfectly with those I have advanced. I might fortify my argument still further by quotations from other distinguished authorities, but I prefer not to tax your patience.

In addition to the points already discussed, I had intended to show, or at least endeavor to show, that nearly all the instability and insecurity of our currency is the direct consequence of imprudent extensions in the discount lines of the banks—I might say of the banks of our city, for as this is the commercial and financial centre of the Union, all provincial banks *will* expand and *must* contract in unison with the banks here. If this were shown, it would then follow that no plan of reform could prove effectual without it embraced the means of controlling this function of our banking system. And finally, I intended to show that a simple but most efficacious plan for doing this has been suggested by a gentleman now present, Mr. H.; but I have not found leisure to prepare a statement of my views on this branch of the subject, and I have already occupied too much of your time. Should we meet again, and the opportunity be afforded me, I shall be happy to present them.

No. II.

Read October 27th.

Permit me, before advancing in this discussion, to take a single retrospect of the ground already passed over. In previous papers I have endeavored to show: 1st. That the terms Money, Currency, and Medium of Exchange, are synonyms,—that they are but different names for that diverse machine or instrumentality wherewith Commerce measures the value of products and shifts their ownership. 2d. That under our present banking system this machine or commercial instrument has been made to assume three distinct forms, in each of which it performs the offices of money in the purchase of property and in the payment of debts; that these forms are, coin, bank notes, and deposits in bank, the first being mainly employed in the transactions of government and in those of less than one dollar, the second in making purchases for direct consumption, and the third in all the larger transactions of commerce or exchange. 3d. That in this city deposits in bank are the principal reliance of commerce, constituting, as they do, at least $\frac{3}{4}$ ths of our entire currency, exclusive of the specie in bank, which is not in circulation, it being held there to support the superstructure of credit currency, which has usurped its place in the channels of circulation. 4th. That these deposits are the direct product of bank discounts; and that their sum is always just equal to that by which the aggregate discounts and other investments of our banks, including specie, exceed their aggregate capital.

These, it will be conceded, are fundamental points in the discussion we have undertaken. Being conscious of their importance, I have endeavored, in my previous papers, to impress on the minds of others something of that undoubting conviction of their truth which I myself feel. In furtherance of that end I will here, before proceeding with the main subject of this paper, answer an objection to one of my positions that was advanced at our last meeting by the Hon. Mr. C. and others. These

gentlemen maintained, with much ingenuity and force, that, admitting deposits in bank to be money, it is a contradiction in terms to call them money in circulation,—that to do so would be to ignore the distinction between statics and dynamics, between rest and motion. It was admitted, however, that deposits might have, and, indeed, that a portion of them do have a spiritual circulation, while they remain in a state of physical equilibrium; but that there are other large portions of them that do not circulate at all, either spiritually or physically, but remain dormant in the banks for weeks and months, unused, and in the nature of a hoard. If I correctly apprehended the gentlemen's position and arguments, this is a fair but very condensed statement of them.

Now, in answer to this objection, I have to say, in the first place, that whatever circulation deposits may have, must necessarily be of a spiritual kind, for they have no material existence, as money. They exist in the banks only in the shape of credits on their ledgers, inscribed there originally in exchange for securities received from and discounted for their dealers. But the shifting of these credits from A to B, from B to C, and so on, by means of checks, is, to all intents and purposes, a true circulation of money; for in performing these imaginary motions, deposits in bank liquidate indebtedness, and transfer the ownership of property just as effectually as do bank notes and coin in passing from one person to another. With regard to the activity of their circulation, there can be no question that in this respect they surpass coin, or even bank notes. The figures at the clearing house show that of the \$80,000,000 now held by our banks, \$20,000,000, exclusive of checks deposited in the banks on which they are drawn, change ownership daily, even in the present lethargic condition of commerce. When trade is active, the proportion is much greater. Hence deposits circulate from owner to owner on an average once in three and a half days, or 100 times in a year. This shows that merchants and all other owners of deposits, including those who hoard them, if there be such, when reduced to a mean, keep on hand of deposits only sufficient to meet their wants for three and a half days. Do we not supply our tills and porte-monnaies with bank notes and coin sufficient to meet our daily recurring household and personal wants for longer periods than this? for such are the purposes for which these kinds of money are used. I am quite sure that people generally do. I think there are very few that are in the habit of replenishing their private exchequers oftener than once a week, and many still less frequently. Consequently, bank notes and coin must have a less active circulation than deposits: they change ownership less frequently. But it is a mistake to suppose that either the deposit in bank which awaits the contingent or prospective wants of the merchant, or the money in hand which awaits future calls upon it, is not in actual use and circulation. It is true it is not in the act of passing from one owner to another, for this in the very nature of things can only be occasional, not continuous, but in each case it is standing ready to meet, as they arrive, the occasions for which it had been provided. If money could be obtained at any moment and in any quantity, it would circulate much faster than it does, for then we should not provide it until the day or the hour in which we had occasion to use it; but since this cannot be done, we are compelled to provide it in anticipation of our wants, for days, or weeks, or months, as the case may be. But this is circulation, nevertheless, for the money is spiritually moving in its appointed orbit.

What has now been said seems to me a sufficient answer to the objection stated, and shows conclusively, I think, the groundlessness of the supposition that a large share of the deposits in bank are in the nature of hoards. Besides, the supposition is in itself improbable. Hoarding is the joint effect of an inordinate love of money and the fear of losing it. Neither of these sentiments can be gratified by depositing it in bank, since it is there alike out of sight, out of possession, and insecure. But these sentiments *can be* gratified, and often are, by holding coin in secret possession, and handling it frequently. The amount of coin thus held in the United States, is doubtless large; and while thus held, it is out of useful employment and therefore out of circulation.

But while I can find no merit in the objection just disposed of, I feel under obligations to the gentlemen for having urged it, because I wish to take no position that is not strictly correct, and this objection has brought to my mind another matter which proves that there really is some restraint on the free circulation of one class of deposits. I refer to the well-known fact that a tacit understanding usually exists between the banks and those for whom they discount, that a portion of the proceeds shall remain on deposit. To whatever extent this implied condition may increase the balances of borrowers, the circulation of deposits is temporarily restrained. I say temporarily, for whenever *want* prompts the borrower, he disregards the implied condition, and uses the whole of his deposit. In many cases, and I think I may say in most cases, these balances of borrowers are no larger than convenience and prudence would dictate in the absence of obligation; for they represent a class largely engaged in business, and hence require heavy balances in bank to meet contingent and prospective liabilities. The more needy borrowers, however, usually have several bank accounts, with heavy balances in each, which are left there, not for early use, but as a bait for discounts. I have no data on which to base an estimate of the increase thus generated in the balances of borrowers at bank. It probably amounts to several millions of dollars in the banks of this city; and to its full extent imposes at least a temporary hindrance to the free circulation of deposits, though I have shown that even with this drag, the aggregate changes hands at least 100 times in a year, which is much oftener than either coin or bank notes change hands.

With these remarks I will dismiss the topics hitherto discussed, and proceed to show that nearly all the vicious fruits of our banking system have their origin in the undue extension of bank discounts. In doing this, I shall take for granted the soundness of the positions recapitulated in the opening of this paper, and, as occasion shall require, use them as premises from which to deduce other conclusions. It may be assumed also that the commerce of this city, like the commerce of the world, requires a given amount of money to prosecute it legitimately,—an amount, we may say, equal in value to the property pressing for sale, so that every exchange of money for other property will be an exchange of equivalents or equal values; for if there be too much of money it will buy less than its value of other things, and if there be too little it will buy more than its own value. But when there is neither too much nor too little of money,—when the supply of it is just equal to the legitimate requirements of commerce, then the price of commodities will coincide with the cost of producing them, and the value or purchasing power of money will correspond with the cost of producing coin; for I am prepared to show, if the point should be disputed,

that the admixture of convertible paper with coin has not permanently increased the quantity of money, nor lessened its capacity of purchase.

It is immaterial to my argument what specific quantity of money the laws of trade, if not interfered with, would award to this city; but we may suppose, with the existing extent of its commerce and the present cost of producing gold and silver, it would be in the neighborhood of \$70,000,000. The existing banking capital of the city is \$67,000,000, \$28,000,000 of which is invested in coin, and \$8,000,000 in securities for circulating notes, with the discount line at \$122,000,000. This gives of net deposits and circulation \$93,000,000, or \$23,000,000 above the mean. Last autumn, when the crisis culminated, the capital was \$64,000,000, the specie \$8,000,000, the securities deposited for circulating notes \$8,000,000, and the discount line \$95,000,000 which gave then of net deposits and circulation \$47,000,000, or \$23,000,000 below the mean. Within one year, therefore, our currency has expanded from \$47,000,000 to \$93,000,000, or \$100 per cent; and what is remarkable, it now appears to be just as far above its legitimate volume as it was then below it. It is well known that the extreme contraction of last autumn was immediately preceded by an equally extreme expansion. Fifteen months ago the discount line was as much extended, and as a consequence, the currency as much inflated as it is now. The sudden reaction which ensued, paralyzed our commerce for a season; and, by depressing prices here, checked imports and stimulated exports, thereby turning exchanges in our favor, and thus enabling our banks to draw specie from all quarters to replenish their vaults. Being thus fortified, and tempted as they always are by the desire of large dividends, they have been emboldened to again relapse into the imprudent expansion now witnessed, and which must ultimately end where all such expansions end,—in a violent reaction, alike disastrous to the banks and the community.

It will be admitted, I think, that this is a true outline of the vicious circle in which our banking system revolves. But with the view of showing the specific character of the injuries it inflicts on commerce and on all other interests, including the interests of the banks themselves, and the manner in which it inflicts them, I will analyze the movement more in detail.

According to my assumption, the banks of this city have extended their investments in specie and paper securities to a point which gives us at this time a currency of \$93,000,000, while \$70,000,000 is all that our commerce requires. In other words, they have expanded the currency \$23,000,000, or 33 per cent. above its natural limits, and thereby degraded its value, or lessened its power of purchase to the same extent. This expansion has taken place since the commencement of the present year, and I wish gentlemen to note the fact that it has been the voluntary, unsolicited act of the banks themselves. Money has not been wanted, trade has been inactive, credits circumscribed, speculations not thought of. Yet the banks, in the face of this state of things, being emboldened by their large specie reserve, and tempted by the desire of gain, have left no efforts untried to increase their discount lines, having even gone into the street and purchased securities at the rates of three and four per cent. per annum. They have thus succeeded in forcing into the channels of circulation \$23,000,000 more of their credit currency; and be it specially observed, that it is nearly all in the form of deposits, for there has been no sensible increase of circulating bank notes. These facts prove that it is not bank notes, but bank deposits,

the direct offspring of bank discounts, that vitiate the currency; and also most effectually refute the position which some gentlemen have vanced here, that bank expansions are caused by the undue extension of private credits and mercantile transactions. There never was a more palpable mistaking of an effect for a cause. We have now before our eyes a full-blown bank expansion, with private credits circumscribed and commerce inactive; and rely upon it, we shall soon see the first fruits of expansion in a corresponding extension of credit and trade—nay, we already see the forecast shadows of these effects.

But let us trace the steps of the present bank expansion, for it will serve as a type of the class.

The banks found themselves, at the beginning of the year, with \$30,000,000 of coin in their vaults, and the exchanges at all points in New York. This large reserve of coin gave each bank about tenfold its usual quantity. Every one of them would have been satisfied with less than this; and hence they each and all began to make vigorous efforts to get good securities under discount in exchange for a share of their coin. In these efforts they are still persisting; but while they all succeed in obtaining additional securities under discount, neither of them loses any share of its coin, because they all expand in the same degree. In these efforts they will continue to persist until they have brought about an adverse contraction of the exchanges, and through that a sensible diminution in their coin reserve. Then the more conservative will inaugurate a curtailment, and the less prudent will be compelled to follow. One of the first effects of the expansion must have been to make the banks of this city debtors to the banks of neighboring cities, as Boston and Philadelphia. If the last named were short of specie, they called for the first differences in their favor of coin, but the next they surely neutralized by joining in the expansion. They too are ambitious of large dividends. Next the banks in the interior and on our remotest borders felt the expansive wave, and they also promptly embraced the opportunity to ride upon its crest. Thus a bank expansion here, at the commercial centre and financial heart of the country, to send its bloated pulsations throughout the limits of our banking system. Consequently there is nothing within the system itself to check its extension. This can only be done, in the absence of legal restraint, by adverse changes in our foreign trade, and by accumulations in the government treasury to check excessive imports. But an extension of the discount line, on the part of the banks of this city, puts in action the very influences that must ultimately bring about these ends. It first increases the amount of money. The extension is promptly employed in the purchase of property or the payment of debts; for it is only thus that money can be made to yield revenue. Like all other machinery, it is unproductive when idle or at rest. The enlarged volume of circulating money first quickens the sale of commodities, and next gradually enhances their price to a point which will make the market value of the property offered for sale correspond with the enlarged volume of the currency. It will be perceived that these first effects necessarily give an apparent increase of commercial prosperity, because the risks are thereby increased, profits enlarged, and the risks of loss on credit diminished through the abundance of money and the facility of borrowing. The enhancement of prices attracts merchandise from all quarters of the world, while the enlarged profits of commerce invite capital and

try from other pursuits, swelling the ranks of its votaries and stimulating its operations. The over-action thus awakened excites a fierce competition, which inevitably leads, first to an extension or general enlargement of the boundaries of mercantile credits, and through these, to illegitimate enterprises and speculations of all sorts, whereby some men grow rich, it is true, but which, nevertheless, have none of the real elements of productiveness about them, for what the lucky gain others lose, just as in any other kinds of gambling. These movements again enhance prices, thereby giving another apparent but unreal impulse to our prosperity, which in its turn leads to extravagant expenditures, and, at the same time, paralyzes the efforts of productive industry. Thus we go on, imperceptibly consuming our actual wealth, while an unsubstantial fabric of credit wealth, or promises to pay, is usurping its place. But while these influences are thus acting, we must bear in mind that our degraded currency has made the scale of prices higher at home than it is abroad. Consequently, our productive efforts are directed to the supply of home demands, while exportable commodities, the value of which are measured by a higher standard, are altogether neglected. Thus, at the very time that our imports are increasing, our exports are diminishing. This soon gives indications of its unavoidable consequence, an adverse balance in our foreign trade. But these indications are usually met in the first instance, and for a time suppressed, by the sale abroad of various kinds of public and corporate securities; and after these have been used to the extent that the confidence or credulity of foreign capitalists can be made to take them, our extended system of mercantile credits is made to span the Atlantic, by making our purchases abroad on credits ranging from four to twelve months. Sooner or later, however, this expedient must also reach its limit, when the balance must be liquidated in coin, which, of course, precipitates the catastrophe of mercantile failures and bank suspensions. If the inflation happen to be one of long continuance, as was that which culminated in 1837, its consequences are most disastrous; for when we come to take a survey of the wreck, we find that the real wealth is nearly all consumed, so that the only expedient left wherewith to satisfy or cancel the credits or promises to pay, which still abound, is bankruptcy. But if the inflation be one of short continuance—one, for instance, that an unreasoning panic shall precipitate to a premature crisis, as was the case last autumn—its effects must be correspondingly harmless and of short duration, because in such cases extended credits and imaginary profits have not usurped the place of real capital long enough to give much play to the habits of extravagance which they never fail to generate.

I have thus given what I conceive to be a correct delineation of the phenomena attending the rise, progress, and collapse of commercial crises; and I have endeavored to show the manner in which our present system of currency either produces them or greatly aggravates their severity. If my views are correct, the mischief originates in excessive discounts by the banks of this city. These expand the currency here, through an increase of deposits, without affecting the circulation of bank notes. This central expansion promptly sends its impulse to the remotest limits of our monetary system, enhancing prices, enlarging commerce in all its departments, retail as well as wholesale, and thus calling forth an enlarged issue of bank notes to meet the enlarged demand thus generated. We cannot hope, therefore, to give perfect

stability and security to our currency by simply placing the circulating notes on a sound basis. We might as well attempt to regulate and control the circulation of the blood by placing bandages around one of the limbs. The great primal fountain of the banking currency of the United States is the discounts of our city banks. When the stream of currency issuing thence expands, all the smaller streams, both of deposits and circulation, emanating from other fountains, expand in sympathy with it; and when that contracts these all likewise contract.

All we have to do then, to secure the needed reform, is to adopt the sagacious suggestion made by Mr. H. soon after the suspension of last October—namely, to amend our general banking law, by the insertion of a provision limiting the operations of every bank, so that its discount line shall not exceed once and a half its capital by a sum greater than the specie in its vaults.

The effect of this restriction would be, with our present amount of banking capital and specie, to give us a currency of about \$85,000,000. This amount could be increased only as fast as the specie in bank increased, and when it diminished, it would only be dollar for dollar with the diminution of the specie in bank. In other words, this restriction would cause the fluctuations of our currency to coincide both in time and degree with the influx and efflux of coin, dollar for dollar; while under the present order of things the expansions and contractions are three or fourfold the variations in the amount of specie; and hence this reform could not fail to relieve commerce from those alternating fits of chills and fever which the present system has given it, and which has thrown around it all the hazards and some of the characteristics of the gambling table.

PRODUCTIONS AND STOCKS OF GOLD AND SILVER.

AN immense impulse has, within the last few years, been given to the production of gold; no corresponding impulse to the production of silver. This course of things must be changed, or the greatest commercial revolution the world has ever known must ensue—a revolution that the strongest governments have often, but always vainly, tried to bring about, and now would find it equally futile to oppose. It is not possible there should be such a growing difference in the production of these two precious metals without vastly altering their relative values, and superinducing an entirely new order of monetary affairs. The abandonment by the world of one of the two standards of exchange by which trade has been carried on since trade had existence; a new system of numismatics necessary; new coins to be made or other values instituted for those in use; prices and values of all kinds to undergo a yet greater change; and so on, could be named movements, the results of which must affect and include all classes, from the merchant prince to the poor Chinaman. In other words, gold that has been hoarded as immutable, prized for its intrinsic value, sought for at any cost, and made the money of the world, the greatest of all powers, for its rarity

and constant production, is getting common. It is proven to be the widest spread metal of any save iron, and is found in almost every country in the world, while silver, with which its production has hitherto been in tolerably fixed proportion, has been yielding but a comparatively scanty return.

Let us examine the past and present productions of gold and silver, and the corresponding changes in the stocks of each metal, to prove our assertions. The ratio of the value of gold to silver up to 1848 was by mint standard, approximately 16 to 1. From 1492 to 1848 the production of silver was more than double that of gold; since the gold discoveries of Australia and California it has been less than one-third. This difference, and taking into consideration the fact that silver disappears from wear, &c., four times as rapidly as gold, shows the rapid alteration taking place in the stocks of the two metals.

In 1492 the amounts of gold and silver in existence, were of gold, sixty millions of dollars, or less than one-third of our present annual production, and of silver, one hundred and forty millions of dollars, or more than double the present annual production. At the close of the next year, 1859, from carefully prepared statistics, it is proven that the amounts of gold and silver in existence will be about equal, or about four thousand millions of dollars each, and in 1890 the amount of gold in existence, according to the present rate of production, will be between two and three times as great as the amount of silver. At the end of the present century, according to the present rates of production, the amount of gold in existence will be thirteen thousand millions of dollars, while that of silver will be only five thousand millions; or more accurately, we find the percentage of the amounts of gold and silver in existence at different periods as follows:

	Silver.		Gold.
In 1492.....	70 per cent.....		30 per cent.
" 1803.....	65 "		35 "
" 1848.....	41 "		59 "
" 1858.....	48 "		52 "
" 1860.....	50 "		50 "
" 1892.....	30 "		70 "
" 1900.....	24 "		76 "

Those who wish to examine into the correctness of the data for the periods before and including 1848, are referred to Tooke's *History of Prices*, vol. vi. The production since 1848, the stocks, have been taken from the annual tables.

It cannot be doubted but that such changes in the productions and stocks of gold and silver must make corresponding changes in the values of these metals, government and mint decrees to the contrary notwithstanding. Common reason would foretell this, and experience up to the present time proves it for the future. Holland, Great Britain, France, and the United States have already practically only one standard of money, and the rest of the world must soon follow. Which shall it be? is an important question. Holland and China have decided on silver; the others have chosen gold. But one or the other must soon be generally adopted. The present price of silver is so disproportionably high, that our silver dollars of the old coinage are worth one hundred and twenty cents, and in a few years will be worth two dollars in gold. The increase in the population and commerce of the world would be a strong argument in favor of adopt-

ing a metal as a standard of exchange, the production of which increases in nearly the same proportion. This is the case with gold, but not with silver, the stock of the latter metal being nearly stationary, as the wear, use in manufactures, loss, &c., are about equal to the production.

The recent discoveries of gold show that this metal is sufficiently abundant all over this continent to make mining generally profitable if conducted with skill and capital. The Fraser River mines, and the Kansas mines are the most promising of the new discoveries at present, but gold has been found along the whole eastern range of the Apalachian mountains from Canada to Florida. It has also been found in Iowa, Minnesota, Nebraska, and most of the other western States, and new discoveries in South America prove that part of that western continent to be almost, if not quite, as rich, as this in gold. The Ural mountain mines are also producing largely. On the other hand, although the production of silver has been slightly increasing, principally owing to the reopening of old mines in New Mexico, yet its wear and consumption in manufactures are so great, that the stock does not increase one-half of one per cent. annually. We claim then, that the statistics given, prove an incipient revolution in what was considered the most unchangeable of all things on earth—the precious metals which have been the standards of value since commerce had its birth from its germ, barter, and that this revolution must go on and complete itself, unless some new means shall be practicably employed to augment the production of silver. That there is an inexhaustible stock of silver in the earth, and not naturally difficult of access, cannot be doubted. The present yield of Mexico, large as it is, comes from few mines, while that portion of Mexico north of latitude 24° , and on our own frontier, which, according to Humboldt and others, contains the richest veins, have lain for many years entirely unworked and neglected. Were American enterprise once introduced and well established there, undoubtedly it would soon tell with effect upon the world's supply of silver; and we may fairly presume that not long hence this will occur. Arizona, which is known to be rich in silver, is already ours; and it is probable that within ten years every northern province of Mexico will be under American rule, and directly within the scope of American enterprise. As gold increases in quantity, so it decreases in value, and the stimulus for mining it must correspondingly diminish; and when the field is fairly open, that stimulus, we may reasonably expect, will be transferred to the mining of silver, and do something, at least, towards sustaining the old relative values of the two precious metals.

DISSOLUTION OF THE EAST INDIA COMPANY.

THE first day of September, 1858, will hereafter be marked as the last of the great East India Company as the ruler of India, and as the first of the succession of the Crown of Great Britain to the supreme government. The close of the career of this greatest of the Corporations of the past, will render a brief sketch of its history interesting at the present time.

In 1497 the efforts of the Portuguese to discover the passage to India were successful, and in their success was the germ of the British East India Company. Efforts were made by the Portuguese, by means of a Pope's bull, to retain exclusive control of the passage to, and the commerce with, India, but with only partial success, for after trying in vain to discover another passage, the English merchants in 1580 determined to have a share in the lucrative trade then growing up with India by way of the Cape of Good Hope, and Captain Stephens, in 1582, was the first Englishman who made the voyage to India by way of this passage. He was followed by Sir Francis Drake and Thomas Cavendish in 1588, who, by their glowing reports and by the rich captures made by the former's vessels, created an intense desire in England to participate in the wealth of which they had long dreamed. To obtain this end war vessels were first fitted out, and in 1603 Sir Walter Raleigh captured a ship of 1,600 tons, the largest ever seen in England, laden with the richest goods that India could furnish. After some efforts of private adventurers, there was formed a corporation, with a charter dated the 31st of December, 1600, entitled "The Governor and Company of Merchants of London trading to the East Indies." Powers were given to the Company to elect their Governor, Directors, and Officers; to inflict punishment not in violation of the laws of England; to export goods free of duty for four years, and to have certain privileges in exporting coin. The duration of the charter was limited to fifteen years, with the condition that it might be cancelled upon a notice of two years. Such was the origin of the British East India Company, which, in time, extended its sway over the entire Mogul Empire; and but for the hostility of more liberal commercial opinions, would not now have its end chronicled in September 1st, 1858, one hundred and ninety-seven and three quarters years after its charter.

The history of the East India Company would tell of ambitious plans, fortunes made and lost, lives spent, health wasted, hopes, fears, wrongs, elsewhere only to be found in a nation's record. From the published life of Hastings to the tale of the soldier who returns to his native English village with only his scars for his reward, we have the experience of a people, from a despot to a peasant, and all *servants* of this Company.

The first expedition to India by the Company was in 1601, and consisted of a fleet of five ships, varying from 600 to 130 tons, and with an outlay of \$350,000. This trip was so prosperous, that through it the Company attained a power that was never lost while it had existence.

The hostility of the Dutch was for a time the chief obstacle that threatened the Company; but the profits of a lucrative trade were sufficient to

make the English Company retain their possessions at all hazards. The profits of the trade may be estimated from the fact, that the cost of East India goods in England was only thirty-three per cent. when brought by Cape Horn, of the same goods brought over the land route through Aleppo; and as the Company had a virtual monopoly, their profits were almost incalculable.

In 1645 the Company established factories in Bengal, the principal of which was at Hoogly. In 1658 Madras was made a Presidency.

Charles II. confirmed the Company's charter in 1661, and conferred on the Company the power of *making peace or war* with any nation not of the Christian religion—of seizing and sending to England any British subject found trading in India without their leave. Also, the power of making laws, exercising jurisdiction, &c. Notwithstanding these extensive powers, private traders interfered materially with the trade of the Company. In 1664 the French East India Company was formed, and ten years after laid the foundation of their settlement at Pondicherry. The Dutch having prior possession of the principal islands in the Indian Ocean, were, however, the greatest rivals. In 1668 the Company obtained a valuable possession in the island of Bombay, through the gift of Charles II., who obtained it as part of the marriage portion of his wife, Catharine of Portugal, and from this time, either by treaty or force, the Company gradually and annually extended their territories and powers until they extended over all Hindoostan.

The year 1667 is memorable as being the one in which the first shipment of tea, of which we have record, amounting to 100 pounds, was made to England. From this small beginning the trade in time extended until it was the main prop of the Company's existence.

With somewhat variable fortunes the Company controlled the monopoly of the India trade until 1698, when the English Government applied for a loan of £2,000,000, offering 8 per cent. interest. This the Company would not grant, and in consequence a charter was given to an association of merchants taking the loan, two years before the India Company's charter expired. The result of having two rival companies was disputes, disastrous to both, and which for a time threatened total dissolution. In 1702, however, the two Companies adjusted their differences, and formed themselves into one company, entitled "The United Company of Merchants of England Trading to the East Indies." With all their powers and a monopoly of trade, it was not until the beginning of the present century that the East India Company's commerce attained what, according to our present ideas, could be called any considerable magnitude. In 1811 the imports into England were only a little over \$5,000,000.

In 1793 the Company's Charter was extended until 1814, and a provision inserted for the general opening of the trade to private individuals. For many years the opinion had been gaining ground that the trade with India could be materially enlarged by such a course. The Company had such influence, however, that in 1814, when the Charter expired, the trade to individuals was open only on certain restrictions, and the Company obtained a renewal of their Charter until 1832 with these limitations. Such, however, is private enterprise, that with all the restrictions, the India trade trebled in a few years. In 1832, when the Charter expired, there could be no further claims brought forward for a renewal of the commercial privileges; and the act 3 and 4, William 4, c. 85, for continuing the Charter

until 1854, *terminated the Company's commercial character.* The wonderful increase that has since taken place in the trade with India proves the sagacity of the measure, and the justice is even more evident. It is to be hoped that a corresponding improvement in the political condition of the country will take place, now that the Company has ceased to exist as a *political power.*

The trade of the United States with British India amounted to \$11,600,000, or more than double the whole commerce of India in 1811. With a more liberal Indian Government, we can expect a great increase in our trade, and with an improvement in the people, the practice of hoarding, which made India a "cesspool for precious metals," will be given up. The loss to this country alone from this practice, or the "balance of trade" with India, from 1820 to 1857, was *sixty-seven millions of dollars.*

THE STATE BANK OF IOWA.

If the establishment of sound banks under conservative banking laws is an index of the growth of our Western States, and of their recovery from the disasters of the past year, we can congratulate ourselves that such changes are now taking place. In Iowa, under the law authorizing a State Bank and Branches, there are now being established several banks, and under the free banking laws of Iowa and Minnesota, there have already been over twenty applications for charters. The State Bank and Branches of Iowa promise to be conservative institutions, and a summary of the history of their formation will be of interest. We published in June last an abstract of the charter of the "State Bank of Iowa," which was passed by the legislature in March last, submitted to a popular vote of the people in June, and accepted by a large majority.

On the 15th of September the Bank Commissioners appointed by the Legislature, met at Iowa City to receive applications for branches, at which time some seventeen applications were made from various points in the State. The Commissioners appointed committees from their number to examine the applications at the several points, and besides counting the specie paid in for the capital stock, and seeing that the law had been fully complied with, to inquire into the *moral character and pecuniary responsibility* of the officers of each proposed branch. The Commissioners appointed Wednesday, October 6, the day on which to receive the reports and decide upon the merits of the applicants. At several of the principal cities on the Mississippi there were rival applicants for the charter (only one branch being permitted in any city or town). After the report of the committees appointed to examine the proposed branches, and a very impartial hearing of the claims of all the applicants, the Commissioners certified that branches at the following named places, having complied with the law, are entitled to commence the business of banking, under the charter of the State Bank of Iowa, viz.:—Davenport, Dubuque, Des Moines, Iowa City, Keokuk,

Mount Pleasant, Muscatine, and Oskaloosa. The other applicants were rejected for various reasons. The banks will, no doubt, be in operation before January 1, 1859.

When Iowa was a Territory, there was one bank of issue chartered, located at Dubuque, called the "Miners' Bank," which was well managed by its cashier, M. Mobley, Esq., the well known banker of later days.

This then territory was admitted into the Union with a constitution prohibiting banks of issue, and the charter was taken away from the Miners' Bank. Since that date the West has been thickly dotted with cities, towns, and villages, as if by magic; new States admitted into the Union with sound banking laws, and for years Iowa has been dependent on other States for her paper currency. During the past year she has felt the need of a sound banking system more than at any other time. With banks failing on all sides, the State became nearly flooded with an unsecured currency, issued in the almost inaccessible territories, which, together with "local currency," fluctuated in value so much, that holders of large amounts could but wish to be rid of the same.

This lack of money and banking facilities has caused Iowa to feel the effects of the late panic perhaps quite as much as any other State in the Union, and the people, seeing their necessities, revised the constitution of the State, and provided not only for a State Bank and Branches, but for a sound General Banking Law, which has also been approved by the popular vote of the people.

The charter of the State Bank was carefully prepared, and is believed to be as good a charter for the safety of the public and profit of the stockholders, and as free from imperfections, as any in the States. It is very similar to the Ohio State Bank law which has been in successful operation for many years. The prominent features are: The security to bill-holders; the stockholders being liable to "an amount over and above their stock equal to the value of their respective shares," and each branch is compelled by law to receive the notes of all the other branches at par in payment of debts due the bank; also, in the "Safety Fund" amounting to 12½ per cent. of the entire circulation of each branch, invested in public stocks, and deposited with the "Mother Bank" (which is not a bank of issue) for immediate use in case of the discrediting of any branch—besides which, each bank must at all times keep 25 per cent. of the amount of its outstanding circulation, in specie in the bank.

The penalty for the non-complying with these laws is a forfeiture of charter of such delinquent bank.

On the full amount of capital, limited to \$300,000 for any one branch, the circulation, which is *registered and furnished by the "Mother Bank,"* cannot exceed \$525,000.

The law is liberal, yet rigid and well guarded, and the Commissioners in granting charters have been very particular to give them to the applicants who have the largest number of shareholders, and who are evidently applying for the *public* good as well as their own, and have also been very particular to keep the control of the banks in the hands of citizens well known and long residents of the State. If this policy is continued, "schemers" will be kept out, and to the banks doing a *legitimate home business*, it will prove as sound a banking system as any in the Union. The branches and also the Legislature, in appointing their and its represen-

tatives in the Board of Control, cannot be too particular, for on the Board of Control devolves a great responsibility—that of detecting and at once correcting any action in the least out of line on the part of any branch.

By appointing the most experienced men on that Board, men accustomed to the workings of banks of issue, they can guard against “schemings” which might endanger the whole system; and in admitting new associates (the number of branches may be increased to thirty), a too close examination cannot be instituted by the Board of Control.

We trust these points of *so vital* importance will *not* be overlooked, and if so, the bank cannot fail of being a success.

The State Banks of Ohio, Indiana, and Missouri, have proved eminently beneficial to the country (as well as paying investments to their stockholders), furnishing a circulating medium equivalent to specie, and always reliable. The State Bank of Iowa having been framed from the charters of these institutions, must in its workings prove equally beneficial, if the few suggestions we have here set forth are lived up to.

In regard to the free banking laws of Iowa and Minnesota we find only one essential omission, namely, making it obligatory on the banks to keep specie in *proportion to their liabilities*. The Louisiana free banking law is the only one which has this safeguard against undue expansion, and in this it does not extend over the total liabilities.

STATISTICS OF PHILADELPHIA.

PHILADELPHIA, the metropolis of Pennsylvania, is the second city in the United States of America, in population, and the first in manufactures, though numbering but as third or fourth in external commerce. It is situated on the Delaware and Schuylkill rivers, five miles from their junction, 96 miles from the ocean by the course of the Delaware river and bay, in lat. $39^{\circ} 56' 39''$ N., and long. $75^{\circ} 10' 54''$ W.; 130 miles from Washington, and 87 from New York. Population in 1800, 70,287; 1810, 96,287; in 1820, 119,325; in 1830, 167,325; in 1840, 258,037; in 1850, 408,672; and in 1854 at a rate of increase calculated upon that for the ten years previous to 1850, 496,500; which rate also gives 603,927 as the population in 1858. In 10 years, 1848 to 1858, the number of inhabitants entered as taxable, increased from 64,380, to 106,979, a rate exceeding five per cent. per annum. The principal harbor is on the Delaware side, at the east, where the river front for five miles has a depth of water at the wharf line of from 20 to 57 feet. The foreign commerce is exclusively on the Delaware, but the Schuylkill, which passes through the western part of the city, is much used by small steamers and by coasting vessels. Philadelphia has an extensive foreign, and a still greater domestic trade; by means of railroads and canals it possesses facilities for communication with a great extent of country. The city is built upon a plain, rising gradually from the Delaware on the east, and the Schuylkill on the

west, to the height of about 65 feet above the surface of the rivers at high water. The portion most densely built has an area of about 12 square miles, extending along the Delaware river 5 miles, and being two miles wide at the narrowest point between the two rivers. A square mile west of the Schuylkill is now densely built up. The city is laid out with entire regularity, the streets, with few exceptions, crossing each other at right angles. Market or High street, extending through the city from east to west, and Broad street, north and south, are very wide and spacious thoroughfares; and all the streets are wide, airy, and well kept. Public buildings are in fair proportion as to numbers, and many of them are very fine specimens of architecture. The private buildings are remarkable for their simple elegance and uniform neatness. Swedish emigrants first entered upon the site of the city as early as 1660, and William Penn purchased a small claim from them, but most of the site and adjacent lands from the Indians, in 1682, and then laid out as the city, the area between the two rivers, about a mile and a half in width north and south. In 1854 the suburbs regularly laid out beyond the original limits, largely exceeded the city proper in population, and by legislative act the entire area of the county about 120 miles. It is divided into 24 wards, and is governed by a mayor, elected for two years, a select council of 24 members for the same period, and a common council of 72 members, elected annually.

Manufactures.—This branch of the business of Philadelphia is very important, a large share of the population being so employed, and the value of the goods produced being very great. The vicinity abounds with water power, which is largely used, but the cheap rate at which coal is obtained renders the use of steam almost universal. These advantages, with the extraordinary facilities for transportation by water and by railroads on every side, offer peculiar inducements to manufacturers to locate establishments here. Iron manufactures in every form, and particularly machinery, with gold and silver ware and watches, woollen and cotton fabrics, silk and fancy goods, chemicals and drugs, sugar refining, books and paper, boots, shoes, and clothing goods, glue, soaps and oils, &c., are the principal departments of manufacturing industry. The following statement is from the census of 1850:

MANUFACTURES OF PHILADELPHIA, DURING THE YEAR ENDING
JUNE 30, 1850.

Districts.	Capital invested.	Hands Employed.		Annual Products.
		Males.	Females.	
Philadelphia City,.....	\$13,207,695	17,020	9,056	\$26,309,265
Northern Liberties,....	3,922,251	4,463	1,181	7,073,023
Spring Garden,.....	2,918,445	4,326	854	5,376,781
Kensington,	3,755,711	6,728	1,890	10,083,904
Southwark,	2,171,065	2,080	167	3,734,780
Moyamensing,.....	530,364	1,970	288	1,299,201
Townships, &c.,.....	7,237,380	6,705	2,377	10,237,308
Total,.....	\$38,737,911		59,100	\$64,114,112

The completeness of this statement was not acknowledged at the time of its publication, and the Board of Trade at once instituted inquiries for its correction, which by the efforts of public-spirited persons during 1857

and 1858, resulted in the publication of the following well-authenticated aggregates of the various classes of manufacture for the year ending June 30, 1857:

Iron and manufactures of iron and steel,	\$12,852,150
Textile fabrics of wool, cotton and silk,	21,014,118
Chemicals and dyes, paints and inks,	5,855,000
Morocco and other leather,	2,766,250
Boots and shoes,	4,141,000
Paper and manufactures of paper,	2,493,000
Books of all kinds, maps, &c.,	2,448,000
Ale and beer,	2,300,000
Soaps, candles and oils,	4,188,880
Gold, silver, and plated manufactures,	4,814,000
Tobacco manufactures,	3,256,500
Spices, starch, fruits, confectionery,	1,875,000
Hats, caps, straw goods, umbrellas, &c.,	3,320,000
Glass, earthenware, and bricks,	3,059,000
Clothing and men's furnishing (one-half),	5,413,750
Lead, type, stereotype,	885,000
Manufactures of brass, copper and tin,	2,430,000
Saddlery and trunks,	1,988,000
Millinery and ladies' furnishing,	690,000
Surgical instruments, teeth, &c.,	850,000
Musical instruments, mirrors, gilding,	1,285,000
Marble and building stores,	1,160,000
Wrought mahogany and lumber,	950,000
Cordage, sacks, oil-cloths, belting,	380,750
Lamps and gas fixtures,	2,285,000
Printing, engraving and lithography,	1,753,000
Agricultural implements and fertilizers,	1,003,000
Medicines and perfumery,	2,150,000
Furniture, and all wooden and coopers' wares,	5,391,000
Carriages, wagons, drays,	1,715,000
Alcohol, vinegar, and burning fluids,	1,322,140
Vessels and rigging,	1,895,000
Miscellaneous and small items,	3,604,000
Total,	\$110,933,488

Of articles classed as partial manufactures, the following are determined:

Provisions,	\$4,000,000	Whiskey and cordials,	3,854,500
Flour,	3,200,000	Newspapers,	1,370,000
Bread,	5,600,000		
Clothing (one half), ..	5,413,250	Total,	\$29,437,750
Sugar and molasses, ...	6,500,000		

Aggregate of both classes, \$140,371,28.

Coal Trade.—The coal trade of Philadelphia began in 1820 from the Lehigh Valley, and in 1822 from the Schuylkill. For twenty years nearly all raised in the State came to Philadelphia, but now one-half the Lehigh coal goes to New Jersey and New York, and only that from the Schuylkill comes wholly to Philadelphia.

In 1856, 42,000 tons of coal from Broad Top are included, and in 1857, 78,812 tons Broad Top, and 68,094 tons of gas coal from near Pittsburg. The value of the coal trade is \$15,000,000 annually.

COAL TRADE OF PHILADELPHIA.

	<i>Schuylkill Region. Tons.</i>	<i>Lehigh Region (one-half) Tons.</i>	<i>Total Tons.</i>
1853,.....	2,470,943	527,154	2,098,09
1854,.....	2,895,208	608,593	3,498,80
1855,.....	3,318,535	642,057	3,960.6
1856,.....	3,258,356	675,685	3,976,3
1757,.....	2,985,680	659,375	3,791,9

The *Commerce* of Philadelphia is rapidly on the increase, and actual exchange with foreign nations is concerned, though large quantities are entered at New York, and forwarded by the easy carriage New Jersey. The actual external commerce of the port is stationing made no advance since 1853, when its value was \$14,500,000, being a tonnage of 252,451 tons. From 1854 to 1857 there was first-class steamships and four lines of sailing-vessels plying between port and Liverpool; and there are now, 1858, two steamship lines in all, to Charleston and Savannah; one line of three ships to New York and Richmond; one of two ships to Boston, and one of two to New York. These vessels are substantial and well built, and have been constructed in the city. Several first-class steamships have been built at the Philadelphia navy yard, and others are in progress of construction. The total number of steamships, ships, barks, brigs, barges, &c., entering the port during the year 1856, was 27,041; in 1857, 32,740.

The following railroads centre here: The Camden and Amboy, Philadelphia and Trenton, connecting with the New Jersey; the Chesapeake and Atlantic; Philadelphia and Germantown; Philadelphia, Reading and Potomac; the Great Central Railroad of Pennsylvania, with its connections; Philadelphia and Westchester; Philadelphia, Vandalia and Baltimore, and the North Pennsylvania. The Schuylkill and Pottsville canal, 108 miles long, extends to Port Carbon; the Chesapeake and Delaware canal, 14 miles long, extending from the Delaware city to Black Creek, Maryland; the Delaware and Raritan canal in New Jersey, with the Lehigh Navigation canal, constitute great thoroughfares through which the transportation business to and from the city is conducted. The Pennsylvania railroad transported from Philadelphia 1,187,985 tons of coal in 1857, and returned 255,436 tons. The railroads through New Jersey transport immense quantities of goods to Philadelphia and New York. The Delaware and Raritan canal transported 1,187,985 tons of coal from Philadelphia eastward in 1857; 1,141,321 cubic feet timber; 9,150,791 feet lumber; 1,141,321 bushels of wheat; 262,961 bbls. flour; 38,449 tons iron; and 155,683 tons other goods. The Camden and Amboy R. R. transported in 1857, 61,000 tons of dry goods, \$44,458,191 gold and silver, exclusive of bulky goods and press packages.

Harbor, Light-houses, Pilotage, &c.—Vessels of the largest tonnage enter the harbor at full tide, many employed in commerce drawing water, and full-rigged war vessels of the like draft have been

and taken out with all their armament. A bar, six miles below the city, has but $18\frac{1}{2}$ feet in the channel at low water, however, and another near Fort Delaware has now but $18\frac{1}{2}$ feet. The entrance to the magnificent bay formed by the embouchure of the Delaware, has Cape May on its north, and Cape Henlopen on its south side. The former, in lat. $38^{\circ} 57' N.$, long. $75^{\circ} 47' 45'' W.$, is a sandy headland, rising about 12 feet above the level of the sea. It has recently been surmounted by a light-house 60 feet in height. The light revolves once a minute; an eclipse of 50 seconds being succeeded by a brilliant flash of 10 seconds. It is seen in clear weather from 20 to 25 miles off. Cape Henlopen, marking the southern boundary of the bay, is in lat. $38^{\circ} 47' N.$, long. $75^{\circ} 4' 45'' W.$ A little south from it is a hill, elevated about 60 feet above the level of the sea; and on it is erected a light-house 72 feet in height, furnished with a powerful *fixed* light visible in clear weather ten leagues off. To the north of this principal light, and close to the extremity of the Cape, a second light-house has been constructed, 36 feet above the level of the sea, which is also furnished with a *fixed* light, which may be seen about six leagues off. The channel for large ships is between Cape Henlopen and the banks called the Overfalls. The navigation is, however, a little difficult, and it is compulsory on ships to take pilots. The latter frequently board them at sea; but, if not, as soon as a ship comes between the Capes she must hoist the signal for a pilot, and heave to as soon one offers to come on board.

Philadelphia to the Ocean.—Distances, in Statute Miles, from Philadelphia (Market Street Wharf) to the Capes, by the usual Steamboat Channel, as laid down on the Chart of the Delaware by the United States Coast Survey.

From Philadelphia (Market Street Wharf) to	Miles.
Fort Mifflin landing (broad off in channel)	8 3-8
Chester landing " "	16 5-8
Marcus Hook landing " "	20 1-4
Quarryville " "	24 3-4
Dupont's " "	26 3-8
Wilmington, by the Christiana, to bridge	31 3-4
New Castle, railroad wharf (broad off in channel)	34
Delaware City landing " "	39 5-8
Reedy Island " "	44 1-4
Port Penn landing	44 7-8
Liston's Tree (broad off in channel)	51 3-16
Liston's Point " "	51 5-8
Duck Creek Light (broad off in channel)	55 3-8
Bombay Hook Point " "	60 9-16
Buoy of the Middle	71 9-16
Ledge Light Boat	76 1-4
Buoy of the Lower (qr.)	83 5-8
Brandywine Light-house	89 9-16
Buoy of the Brown	93 1-16
Breakwater	102 3-8
Cape Henlopen	102 5-8
Cape May landing, by channel east of Pea Patch	96

Receipts of Cattle in Philadelphia.—The following tabular statement presents the number of cattle received here during each of the last twelve years, with the exception of the large number brought in by butchers, of which no account can be obtained :

Years.	Bees.	Cows.	Pigs.	Sheep.	Total.
1845	51,298	18,805	26,455	56,948	153,506
1846	47,500	14,480	18,670	55,810	136,460
1847	50,270	16,700	22,450	57,800	147,220
1848	67,211	14,108	47,690	76,820	205,829
1849	68,120	14,320	46,700	77,110	206,250
1850	68,750	15,120	46,900	82,500	213,270
1851	69,100	15,400	46,700	83,000	215,200
1852	71,200	14,420	49,200	81,200	216,020
1853	71,900	15,100	53,300	72,300	212,600
1854	73,400	15,350	78,000	61,000	227,750
1855	55,200	11,530	65,300	182,500	264,530
1856	61,978	12,900	103,350	240,700	418,928
1857	62,400	14,700	95,700	342,000	514,800

Export of Breadstuffs.—The following statement shows the quantity of breadstuffs exported to foreign parts for the calendar years 1855, 1856, and 1857.

	1855.	1856.	1857.
Flour, bbls.....	218,197	343,335	198,867
Corn Meal, bbls.....	95,168	91,249	48,572
Rye Meal, bbls.....	13,430	15,807	8,254
Wheat, bushels.....	226,071	662,338	191,400
Corn, bushels.....	685,807	1,057,283	625,556

Average price of flour in Philadelphia for 1855, \$9.23½; for 1856, \$6.71¾; for 1857, \$6.18. The aggregate value of flour and grain exported from Philadelphia in the fiscal year 1855-6, was \$4,302,936, and in 1856-7, \$3,936,336.

A BULLION BANK.

Prospectus and Advantages of a Bullion Bank, to be established in the City of New York.

It is proposed to establish, in New York city, a bank, with a capital of \$1,000,000, to be increased hereafter as may be necessary: I. The bank to be forbidden by its articles from discounting beyond its own capital. II. It is to receive deposits and to pay checks, as do the other banks, but not to lend out any portion of its deposits; so that the whole amount of deposits will, of course, be always on hand in coin. III. It is to charge each depositor a small banking commission; this, with the interest on its capital, to constitute its revenue.

1. Will it get business enough to sustain it?

It needs but a very small portion of the business of the city to sustain it. The clearings of our banks were, in 1856, \$7,000,000,000—in 1857, over 8,000,000,000. The transfers between two customers at the same bank at its second teller's desk do not appear in the clearing-house transactions. Nor do checks actually paid at the bank-counters appear in these figures. A check for \$1,000,000 paid in specie at the bank does not ap-

pear at the clearing-house; nor do the innumerable daily payments at the bank counters, except so far as bills of one bank thus paid out may find their way into another bank in deposit. A promissory note paid at bank by a check on the same bank, makes no part of the clearing-house transactions. The actual aggregate of transactions is, perhaps, double the amount of the clearings.

Out of all this, we need to get only \$50,000,000 per annum of payments to sustain us, if we charge one-tenth of one per cent. banking commission; that is to say, *a person living on an income of \$5,000 would have to pay \$5 a year for keeping his bank account and having his balances on hand always in coin.* The charge could be graduated so as to make it much smaller on large and active accounts, and on temporary deposits for a short time. Practice would soon adjust all these rates. One-tenth of one per cent. would be a maximum, which would not be onerous on small accounts. On the principle of favoring the wholesale dealer, large accounts could be taken at a very small commission; and on very large and active accounts, a small fixed annual sum might be substituted for a commission. If a business should be obtained in all equal to that of one of our larger banks, say \$300,000,000 a year, an average charge of 2-100 of one per cent. would yield \$60,000. As it is proposed to restrict the dividends to seven per cent., the commissions would, with the increase of business, be periodically reduced, and would always be kept at the lowest point of paying the mere cost.

The capital will earn interest—say six per cent. One-tenth of one per cent. on \$50,000,000 is \$50,000, or five per cent. on the capital of \$1,000,000, making in all eleven per cent. gross revenue. Deduct \$40,000 or four per cent., for expense and taxes. There is left seven per cent. for a dividend to stockholders.

A stock so free from the ordinary risks of banks, if it paid six per cent. net, would be of high value in the market.

\$50,000,000 of payments a year is probably only equal to the business of one of our smallest banks; it is only half that of the New York Sub-Treasury.

Of every community there is a portion who value security above all else, and will pay for it. We may look for business from men and women living on income, both in the city and near it, who want no discounts, but only a safe depository; from persons earning income by professional labor; from persons and companies acting as trustees, executors, administrators, agents, &c.—their own sense of duty and public sentiment will oblige them to keep their current balances in the safest depository; from savings banks—the law forbids the ordinary banks to receive in small sums the savings of the poor and to mix these up with the general risks of trade; it is just as wrong to do the same thing on a large scale, as now practised in this city, by savings banks' balances being lent to the discount banks. We may also look for temporary deposits of sums in dispute, awaiting some future use, of valuables, and valuable papers, &c.; and for some portion of mercantile business from among those who ask no favors from banks.

It would seem plain that the certificates of deposit of such a bank, if it were in good hands, and consequently in perfect credit, would be a safer means of remittance than any now afforded. They would be the best remittance from New York to the interior; from places in the interior to

New York; and from one place to another in the interior, because coin in New York is, for the most part, at least equivalent everywhere to coin on the spot. These certificates would consequently, at distant points, bear a premium, over all other paper, more than equivalent to the trivial charge made by the bank. If this be admitted, sufficient business to sustain the bank could thus be had, independent of any local city business.

2. What will be the effects of such an institution?

It will, obviously, get but a very small portion of the business of the city, because it will charge for what the other banks profess to do for nothing, and it will offer to its dealers no facilities by loans or discounts. It will not, therefore, seriously affect the business of the other banks. It will simply relieve them of customers most likely to be timid in times of danger.

It will do a small portion of the business of the community on the Sub-Treasury plan, tending to make the whole steady and safe; and it will be, like the Sub-Treasury, at once a wholesome restraint upon and a defence to the other banks.

The New York Sub-Treasury's annual payments are \$100,000,000 a year; its average stock of coin less than \$10,000,000. The business of this bank having numerous dealers instead of one, would be more active and require a smaller average stock of coin. A business of \$50,000,000 a year would require in its vaults less than an average of \$500,000 of coin. So that it is not likely to deprive the other banks of any important portion of their specie.

But this bank will gather in specie from other quarters, to strengthen greatly the financial position of our banks, of the community, and of the whole country. Many persons in the city and in the country around us hoard specie—in small amounts separately, but of great amount in the aggregate—furnish a safe depository from which they are certain to get back their money, when wanted, and they will no longer take the risk of keeping it themselves—depositing it would be the first step towards its respective owners putting it to active use.

Again, so long as capital is more productive at the West than here, a constant transfer is going on in that direction. This transfer need not be made in coin; with a safe depository, the gold would remain here, and the certificate for gold go West in its stead, returning here in payment of debt to New York—a benefit to both the East and the West. The great want in the West is a medium of exchange payable in the East.

Emigrants and travellers to other parts of the country would leave the gold and take the certificates, for the latter would be more convenient and sell for a premium greater than our commission. Persons wishing to make remittances to distant places, or going out to make purchases in the West, would use this bank in like manner. All these transactions would have a threefold beneficial effect; first, to retain specie in New York; second, to keep specie in active use that otherwise might become idle; third, to give to distant parts a medium of exchange not liable to question or doubt, altogether increasing the facilities and the activity of trade.

This bank would not retain specie in New York, which the state of exchange required elsewhere, but would concentrate and keep here the *current balances* of coin necessary to the business and exchanges of the country; these current balances would form a large, reliable and active aggre-

gate of specie. The more active the business of the country might become, the more specie would there be in New York.

In various ways, specie would thus be aggregated here to become active where it is now idle. If our Sub-Treasury would receive private deposits, every one will admit it would in this way aggregate from private owners a vast amount of specie. Under proper managers, this institution need not be second to the Sub-Treasury in credit.

For obvious reasons, checks on this bank would be sought after, in distant parts, in certain cases, as are now the Treasury drafts of the United States. A portion of the business of the country (as of the city) would be attracted to this bank; just enough to give steadiness to the whole by a constant final liquidation of domestic exchanges, here at the natural liquidating point, in gold. We should be a Gold Clearing House for the whole country, open to the use of every one, at a low charge. Being the only institution of the kind in any of the great commercial cities of the world, it would attract specie from abroad, and tend to make New York the banker of the world.

We should thus gather (not out of banks) of specie now idle, scattered and useless, a very large amount, in addition to the coin held by the other banks.

With sufficient gold in New York, a general panic would be impossible. New York is the banker of the continent; and so long as New York shows plenty of *ready money*, the whole country will feel strong. That New York has hitherto been content to hold a very inadequate amount of specie, for her financial position, is seen in the fact that Paris has now in bank about \$90,000,000, whereas New York fancies herself overburdened with \$30,000,000, and usually has held only \$15,000,000.

The successful operation of such a bank in New York would, both by force of example and by the operation of financial laws, oblige all the other chief business cities on the continent to establish similar banks. Such institutions at every chief business point would strengthen and fortify their local banks, just as this would do the banks of New York. The plan does not destroy the banking system, but only deprives it of its weakness, its dangers, and its vicious parts.

Such institutions at the chief business points, entirely independent of each other, and themselves never meddling with exchange transactions, would together constitute one self-acting machine to regulate domestic exchanges—doing thoroughly what the United States Bank professed to do, but could not. That bank acted by the insufficient human wisdom of Boards of Directors. These would act with the unerring precision of nature's laws—the laws of trade and finance. No sooner would exchange rise between two points to a rate sufficient to pay expenses of transportation, than specie would flow freely from one specie-reserve to another in just sufficient quantity to equalize the rates of exchange. For the coin in these specie banks would not be owned nor controlled by the bank, but by its several depositors. No one would have the power nor any interest to retain the specie at any point against the current of exchange.

The effect of such a specie-reserve here, in times of pressure, could only be beneficent. It is a well-known principle that any article which is abundant in the market can easily be bought—still more easily if, besides being abundant, this large quantity is held by many separate owners. Our specie

would be owned not by the bank itself—we should be only custodians—but separately by our numerous dealers. The slightest contraction by the other banks would, by bringing securities into open market at a depressed price, tempt some of these to part with their money. Coin would flow out of our vaults into the vaults of the other banks. The coin in the Sub-Treasury is counted as part of the specie-reserve of New York, because, under a pressure, it is sure to flow out. But the coin in the Sub-Treasury never flows out until the pressure has reached such intensity that the revenues of the Government are cut off. The coin in the hands of our many dealers would flow into the general market much earlier and more freely.

For the same reason, because of this great reserve of specie here, close at hand, the other banks could, with much more prudence than now, discount liberally out of their own deposits. They would have parted with a small portion of their business to make what was left to them more secure, and with no loss of income. In fact, so friendly would such an institution be to the interests of our other banks, that they could well afford to sustain it by making it their own common depository of specie, using its certificates for exchange among themselves. This is, at least, a step in the right direction. It will be the seed of a new and sounder growth. It can do no harm; for if it work at all, it will work gradually and without any shock. It does not destroy the existing system, but can grow with it, strengthening it, and *saving it, perhaps, from a violent end.*

This bank differs, in important points from the old Bank of Amsterdam and from the present Bank of Hamburg. It is less cumbersome—more simple in its machinery. The Bank of Amsterdam took in all foreign coins, assayed their value, and gave credit on its books in a common sign of value. Transfers were made by writing off at the bank from one man's account to another.

The Bank of Hamburg transforms all its deposits into silver bullion, and keeps them in that form, giving like credit in a fictitious bank-money, and at a deduction of nearly one-half of one per cent. Being in the inconvenient form of bullion, there is an undue tendency of this treasure to remain fixed in the bank vaults. The forms of transfer are onerous. The party transferring must appear personally at the bank, and funds once transferred cannot be transferred again the same day—a mischievous restraint upon circulation. It has, moreover, the objectionable feature of secrecy, the amount of treasure in vault being never made public. The dealings of this bank would be in the actual coin of the country, which, being (unlike bullion) as convenient and available outside the bank as in it, would, under the demands of business, flow as freely out of its vaults as into them—it accommodates small dealers, and not merely the heavier transfers of commercial dealers—and its machinery for transfers and payments is the simple one of the ordinary bank checks, whereby the same money may pass into the ownership of fifty different persons in one morning. Our specie would be in the constant circulation of business. We should not restrain, but promote, circulation.

These points of difference would make this bank more efficient towards the general good.

The urgent necessity of some remedy is apparent. Three times within the last seven years our city banks have been on the brink of suspension—twice they had the luck to escape. Things being left unaltered, they

are quite as likely to be in same condition again within three years as at the end of a longer period. These views of the writer as to the past condition and future danger of our banks, were fully confirmed by the late George Newbold, in an interview had with him a few weeks before his death.

Lastly, those who are disposed to view this scheme as a mere experiment, must admit that it cannot, in any event, be a costly one. The capital, if invested at low rates in the choicest commercial paper, will yield enough to cover all expenses. The utmost risk to the stockholders, in a two years' trial, would be the loss of two years' interest on their capital, *if the bank got no business whatever*. a small risk in what may do great good.

Nor is it necessary the capital should be so large in the beginning. If our estimate of its amount of business be deemed too large, let the capital be only \$500,000, and half the business will pay a dividend.

The principle being sound, success is certain. It is right that those who want in a bank only a place for the safe-keeping of their money, should honestly pay for such safe-keeping the actual cost of the service. This is cheaper than to let the banks *pay themselves* by lending out the money of others at discretion. Nor is it right that those in business who keep themselves independent of bank favors, should be obliged to deposit their money where it may be lent out to their own competitors, and where experience has shown it is sure to be used imprudently to the injury of the whole community.

In so large a place as New York, there must be enough business from these classes to sustain a bank of this sort. Such a bank is, it is believed, an actual *want*, after our late experience: those who supply an actual want are sure to be remunerated.

REMARKS ON THE PRINCIPLES AND OPERATION OF THE BULLION BANK.

From the Evening Post, April 3, 1858.

A Panic Preventive.—Nature always strives, of herself, to cure disorders. Her efforts are not always successful. But, as learned physicians will tell us, nature's struggles towards a cure, whether successful or not, are sure to be made in the right direction. Wise physicians follow her indications and aid her efforts.

The commercial world has just undergone a great convulsion. All over the world this violent struggle for health has resulted in the same issue—the concentration of coin at the great financial centres. In London, in New York, in Paris, in Vienna, in the financial centre of every great empire, we see the same state of things—a great piling up of coin there, at the central place. So also in the smaller capitals, the centres of lesser sections; in Boston, in New Orleans, in Philadelphia, and other like places. Everywhere the convulsion seems to last till this aggregation of coin is effected, and then the struggle ceases. This once effected, the work of restoration begins.

Does not this natural effort indicate precisely where the evil is in our present system? Does it not point out infallibly what has been our great

error in financial practice—namely, the needless dispersion of coin from these central points? Does it not afford a plain indication of what we require for financial soundness and health—to wit, some system which shall not promote such dispersion, but which, on the contrary, shall rather help to concentrate coin and to keep it at these centres? Nature seems to tell us that the coin is in its best place for the wholesome management of business, when it is gathered in great bulk in these centres of finance and trade. For, when financial disorders occur, and when all our financial inventions are powerless, the recuperative force of nature, seeking to set things right, manifests itself in a struggle to drive the scattered coin in from all directions to these centres of business, and this done, the struggle ceases and the disease is cured. It takes time, of course, to recover our full strength, but the moment this concentration of coin is effected, the process of recovery begins.

Does not reason teach us the same lesson—that at these business centres the coin of their respective countries or sections, so much of it as is not employed in retail transactions, may, most usefully to business, be gathered and retained? At these central points the mass of indebtedness, created by the internal trade of their respective countries or sections, is finally liquidated and cancelled. Where this liquidation takes place, there should be the money—there is its place of greatest usefulness. For the great office of money is to cancel indebtedness, and not, as some maintain, to fix values or to measure values. Values, including the value of gold and silver, fix themselves. So, also, from these great centres is taken the coin necessary, at any time, to liquidate the indebtedness of their countries or sections to foreign countries or to other sections. If the money were always on hand in proper abundance, at the central points, there would be no need, when, in the course of trade, the foreign demand came, for convulsions, as now, to force the scattered coin into its proper place.

The Bank Superintendent, in commenting on the late panic, says very truly, that “any unusual demand for coin in any part of the country is, in fact, a demand for coin on the city of New York.” It seems to us clear that if, upon the occurrence of the late unusual demand for coin, New York city had had on hand fifty millions of specie instead of fifteen, there would have been no panic. Its mere presence here would have greatly lessened the demand, because when men know they can get their money, they are not apt needlessly to ask for it. If New York has thus to meet all sudden demands for coin that may arise in any part of the country, it seems to be her plain duty to herself and to the country, to have on hand always a much larger amount than she has been used to holding.

With \$300,000,000 of specie in the country, a permanent average deposit of \$50,000,000 in New York, the financial centre of the continent, could well be afforded, even if it lay here in vault idle. It would be no more idle lying here in great bulk than it is when scattered in small sums in private hoards all over the country. Lying here, it would, at all events, be of vast use, occasionally, by simply being on hand in the right place to meet great financial crises, if its mere presence here did not prevent them—in scattered hoards it has not even this occasional use. Lying here, it would be in sight and accessible when wanted—in scattered hoards it is always out of sight and out of reach.

But it would not be idle. It would be a mistake to suppose that coin,

so gathered into these great centres, would not be in circulation. Leaving out of view that portion of the coin of a country which is employed in its retail transactions, and which is, of course, always active—leaving this portion out of view, it is the scattered coin, not the concentrated, which becomes inactive. Coin concentrated in masses at the great business centres, is in the very grasp of trade, and so long as it is kept there, it cannot elude its grasp.

A large aggregate of coin, lying in vault in New York, would not be idle. On the contrary, it could not be in a better position for great activity. It could in no way be more surely infused and kept in the channels of business. The Bank of America now holds in special deposit, a certain amount of coin for the purpose of the Clearing-House. Is this coin idle? By no means; it is in more active circulation than any like amount anywhere in the land. It performs a larger share of the great duty of money than any other equal amount. It cancels a larger proportion of indebtedness than any equal amount, wherever situated and however used. The coin itself lies in the vaults of the bank, subject to no wear and tear (one objection urged against a specie currency), subject to no risks of transportation, subject to none of the labor and expense of being carried about. Yet it is every day carried about, passed, circulated. The coin lies locked up in vault, undisturbed from one year's end to the other; but far from being idle, it is constantly changing hands. It is not carted about, but it passes daily, hourly, through many hands, cancelling, these same few millions, hundreds of millions of indebtedness a week, countless millions a year. Day by day, and hour by hour, the Clearing-House Certificates, representing the coin, transfer from one to another the gold itself; the ownership of the gold passes, the gold itself passes; every debt is paid in gold. Here, in the Clearing-House, is an example of a specie currency. We see it has all the convenience and cheapness of paper; all the solidity of gold. We see it does not lock up money; it does not embarrass, restrict, or cramp business. On the contrary, such increased facility has this plan given to the business of the banks among themselves, that they could not be induced to give it up.

New York is the natural Clearing-House of the business of this continent. By the same plan which the banks have adopted to give steadiness, security and increased facility to their own dealings with each other—by simply adopting the same plan on a larger scale—New York would be sure to give to the whole business of the country increased steadiness, security and facility. And it is obviously of vast importance to her interests to do so. If, for their own dealings, our city banks have found it profitable to set aside five or ten millions of specie for the exclusive use of their Clearing-House, it seems plain that the great business of this continent could profitably employ a vastly larger amount of coin to lie here for the duties of this, its grand Clearing-House. How large an amount would be required we can only guess. But it is needless to guess. Let New York only provide an abiding place for the specie, and the business of the country will always supply just the amount that is necessary. To a very large extent, New York funds are valuable and available all over the country in payment of commercial debts. To the same extent specie lodged in New York would be as good as gold on the spot in any business place in the country. Just as a certificate for gold lying in the vaults of the Bank of America down in Wall street is as

good as gold in hand to pay the debt of one up-town bank to another up-town bank, so would a certificate for gold lying in New York be available as a means of purchase and payment throughout the country, finding its way finally into the hands of some one indebted to New York, and through him hither in payment of his debt; the gold lying here all the time (as the Clearing-House gold lies in the bank of America), and yet circulating over the country as fast as the mail could carry it, at the expense of a few postage stamps. To such an extent as the business of the country needed specie here in its grand Clearing-House, to such an extent as it was required here to keep all steady, to such an extent would the specie find its way here and remain here, if New York would only furnish a receptacle for it.

It has been recommended as one means of repressing the expansiveness of our bank, to establish a bank with an immense capital. We have tried that experiment more than once in our successive United States Banks. Who is to regulate the regulator? What we need is not a bigger bank, but a bank of another sort; one which can afford to keep money. Our present banks cannot afford to keep money. Their profit lies in parting with money to get interest.

A bank, to be able to keep money profitably to itself, must be paid for keeping it. Paid for its services in the safe-keeping of its customers' money by a banking commission charged on their accounts, and, therefore, under no necessity to do any other business. The establishment of such a bank in New York, which would have no interest to scatter money, and would retain all its deposits in coin, would have the effect of keeping here all the specie that ought, for the good of business, to remain here. Such a bank may be organized under our General Banking Law. A large capital is not needed. One million of dollars would suffice to give it repute and to serve as a guarantee fund. The chief guarantee must be in the character of its managers. Its success would hang on the wise selection of these. It would need no skilful financiers, but simply men of widely-known integrity, such as would be chosen for Sub-Treasurers. Organized under proper men, we can see no reason why it should not be profitable to its stockholders. By reason of its greater safety as a depository it must attract certain classes of depositors, both residents of the city and non-residents. If out of the great business of our city and of the country, it could get such a share only as would be equal to the business of a single one of our larger banks, a banking commission of 1-50 of one per cent. would yield 10 to 12 per cent. gross on a capital of a million, without counting the interest to be earned by the capital itself. Such a commission, being \$2 on \$10,000, \$20 on \$100,000, \$200 on \$1,000,000, would be no sensible burden, except on very large accounts. On the sound principle of favoring the large dealer, a reduced rate for these might be agreed on; the average of compensation being kept up by fixing a minimum price for any account, however small.

Such a specie-bank would not be antagonistic to our present banks. On the contrary, it would be valuable and useful to them. It might relieve them of part of their present unprofitable burden of specie, but only to retain it here for their future benefit; much more would it gather coin from other quarters for the same beneficent purpose. Our bank managers were, in the beginning, frantic in their opposition to the Sub-Treasury: they have lived to own its beneficent action. Just as, in times of pressure,

the specie retained here by the Sub-Treasury is sure to flow out of it into the vaults of the banks, so this specie-bank would have, in times of pressure, close at hand, an abundant stock of coin to supply their needs. The coin would flow out of this specie-bank much more readily to meet and to relieve a pressure than it does out of the Sub-Treasury, because it would be in the hands of many owners, all tempted by any decline in securities, and all competing for such securities; the coin in the Sub-Treasury has but one great owner, and yields only under the positive necessities of that one owner.

For the same reason, because it belonged not in bulk to the bank, but in many sums to many owners, the money would be sure to be kept always active; individual self-interest might be relied on to keep it in constant motion, daily changing owners, changing hands, circulating. In times of pressure, the whole struggle of our banks is to force specie into their vaults. Here would be always a store of coin at hand. Their late struggle brought in a flood of specie; but it came too late, because being scattered widely over the country, it had to be forced in from a great distance.

A depository of this kind, established here at the financial centre of the continent, would, it appears to us, act powerfully to restore activity to business, gathering into full sight, and therefore into use, money now scattered, hidden, and useless; supply, in a great degree, the deficiency in our circulating medium resulting from the enormous contraction of our paper money, in the past few months, from \$200,000,000 to \$100,000,000, which deficiency, by the experience of 1837, will not otherwise be made up for several years; and give greatly increased stability and steadiness, for the future, to business all over the country. It would not prevent individual follies, nor their legitimate consequences; but it would save the industry of the country from being paralyzed by panic in a time of full health and strength.

A private effort thus to remedy existing evils is better than calling on Hercules, whether at Albany or Washington. Are there not men enough in New York who agree with us in our views to establish here a *BULLION BANK*, such as we have suggested? They would expose themselves to no risks; on the other hand, they might reap profit to themselves and do incalculable good.

From the New York Evening Post, April 28.

HOW TO MAKE BUSINESS ACTIVE.—It is worth our while to study somewhat carefully the course of the bank-note currency after the crash of 1837. The total of bank-note circulation throughout the country was, before the break-down in 1837, \$149,000,000. In 1841 it was \$107,000,000; in 1842, \$83,000,000; in 1843, \$58,000,000, being then some twenty millions less than the limited amount of specie at that time in the country. For six years after 1837 it seems to have gone on constantly contracting. These were six years of most unsatisfactory business. In 1844 it had risen to \$75,000,000; in 1845 it was \$89,000,000; in 1846, \$105,000,000; in 1847, \$105,000,000; in 1848, \$128,000,000; in 1849, \$114,000,000; in 1850, \$131,000,000; in 1851, \$155,000,000. It will be seen that it required fourteen years, after its credit had been shattered, to bring up the paper circulation again to the same figures as those

of 1837. But, in the mean time, the population of the country had increased, and these figures did not, in 1851, bear the same proportion as in 1837, to the needs of business. In 1857 the paper circulation had reached the amount of \$214,000,000. It had not even then, after twenty years, reached more than the proportion to our population which it held in 1837. Although the banks were quite as much extended in 1857, as in 1837, yet the country was stronger. We may not see precisely the same course of things in the last as in the former crisis—nevertheless, there is enough in the above figures to prove that the reconstruction of our paper money system, after a blow has been given to its credit, is a very slow process.

Now, what we use as money, whether it be wampum, or paper, or coin, is one of the indispensable tools wherewith the work of trade is carried on. When we have no such tools we have no trade; we are reduced to barter. When we have an insufficiency of such tools, trade goes on slowly, is embarrassed, is unduly restricted. There may be abundance of all the various products of labor, but this abundance is deprived of its blessings, because the several producers, for want of the convenient instruments of exchange, cannot with facility exchange with each other each one his surplus, which he does not want, for another's surplus of something else, which he does want. Labor may be abundant and willing, but for want of the tools of trade, the owner of the labor cannot readily exchange it for the comforts of life. An insufficient quantity of money in circulation is as serious a hindrance to the wholesome and active circulation of property and labor, and to the well-being of the community, as would be the loss of half his tools to the work and well-being of the carpenter.

What is a sufficient quantity for the business of our people, cannot, of course, be decided with mathematical accuracy. Colonel Benton put it down at something over seven dollars a head. He took the ground that a people required more or less money according to their prevailing occupation—a purely agricultural nation, whose exchanges of property are few and rare, the least; a commercial and manufacturing nation, the most. Although the larger part of our people are agriculturists, yet even these are not purely an agricultural class. They do not spin and weave their own clothing; and they have wants for certain important articles of food, which can only be supplied from abroad. They count always upon trading off their surplus products to live. We are all traders. For this reason he put the quantity of money necessary with us for a wholesome state of business, not more than that needed in Russia and like countries, and at something less than what is required in England.

A year ago, we had afloat of paper money (which hitherto had been almost exclusively the money in actual use among us), \$214,000,000. According to the latest estimates, this circulation is reduced to \$107,000,000. A year ago every thing was active. Now, with food abundant and labor abundant, the laborer does not find it easy to get food; and all exchanges, whether of property or labor, drag heavily. The contraction of the paper money has been most severe in the North-west. Six months ago, it took \$115 of the paper money of that section to buy \$100 of New York money. Now, exchange there on New York is quoted at two per cent. premium and less. Accordingly, we find that it is in the North-west that business drags the most heavily, whether that business be the collection of old debts or the making of new trade.

We talk much common-place about inflation; but it is, nevertheless, true that the industry of the country suffers, and its productive energies are hampered, when there is too little money in circulation—not when there is too much. It is well, at all events, for us to know whether there has really been any inflation. What, we take it, is usually meant by inflation is this: That, by some artificial means, more money, or what passes for money, has been put afloat than ought to be in circulation. Now, the highest point our paper circulation had touched before the late crash, was \$214,000,000. At this time the banks which issued this paper held an aggregate of less than \$60,000,000 in coin. The excess of paper beyond the coin in hand to redeem it, was, therefore, \$150,000,000. The total of specie in the country was, and is now, by the most authentic returns, very near, more or less, to \$300,000,000. Deducting the \$60,000,000 held by the banks, and say \$40,000,000 more for coin in actual use in retail transactions, and for possible inaccuracies in the statements, we have left \$200,000,000 of coin not in use. As this amount is larger than the whole excess of paper then in circulation, and which was taking the place of the idle specie, it follows that there was not before the late crash, more money afloat than there ought to have been, but actually less. The artificial and unreliable money with which man's inventions had cursed us, did not equal the sum of the real and reliable money with which Providence had blessed us. There was no inflation. We had simply thrown aside a full supply of good tools, and were using, instead, a less supply of fragile and brittle ones. And now that these brittle tools are, half of them broken and gone out of use, we, of course suffer a great want of the instruments of exchange. In 1837 there was inflation. The total of specie then in the country was less than \$80,000,000, while the paper circulation was \$150,000,000.

It is plain that the reconstruction of the paper money system must be, as it was after 1837, a slow process. Many banks throughout the country have, of necessity or choice, ceased business. Many bankers are now withdrawing their circulation. In some parts of the country specie payments have not yet been resumed; and, consequently, the contraction of their paper issues necessary to bring about resumption, is still going on. The contraction of the paper money of the country may not yet have reached its lowest point; until it has done so, the progress of its re-expansion will not begin. It is obvious to us that any method by which our abundant stock of coin can be drawn into use, will act more quickly in increasing the quantity of money in circulation, and, consequently, in restoring activity to business, than will any enlargement we can hope for in the volume of the paper currency; for the coin is furnished ready made, in full supply to our hands. On the other hand, an additional supply of paper-money must be created anew—and created, in great part, by the establishing of new banks of issue in place of those which have given up business. Towards this kind of business men feel just now little encouragement. Even in our own State, where its disasters have been so few, the banking business has, according to our Bank Superintendent, "lost its charm."

Towards this end of infusing the coin into the general circulation, a bank of deposit, or independent treasury for the people, such as we have more than once suggested, if established here, would act most powerfully. Not merely by its effect on our local currency, upon which it would operate by making it more the fashion for us to use specie in all small transac-

tions; but the existence of such an institution in New York would very soon force all the other cities of the country, of any business importance, to establish, in self-defence, each its own bank of deposit. For, otherwise, under the well-established law of currency, that those who use specie the most will get the most specie, New York would draw to herself more than her proper share of coin. With these banks of deposit at the chief business points of the country, our domestic business exchanges would be as little liable to violent fluctuation as are now the domestic exchanges of the United States Government.

THE LAWS OF MORTALITY.

From "The Insurance Guide and Hand-Book," London, 1858.

IF it were necessary to furnish any instances of the individual uncertainty of life, and the thousand ills which human flesh is heir to, beyond those which, at a single thought, recur to our mind, we know of nothing better suited to the purpose than a chronological list of the Kings and Queens of England, from William the Conqueror downwards. And as it will serve to illustrate the deductions to be drawn even from the records of one class of individuals, when they extend over a sufficient period of time, we here give it, premising, that the ages and causes of death are stated as accurately as possible on a hasty reference, and scanty materials at command:

<i>Names.</i>	<i>Age at Death.</i>	<i>Cause or Manner of Death.</i>	<i>Age at Death.</i>	<i>Names.</i>	<i>Cause or Manner of Death.</i>
William I.	60	Rupture and fever.	52	Henry VII.	Consumption.
William II.	43	Shot by an arrow.	55	Henry VIII.	Ulcerated leg.
Henry I.	67	Surfeit of Lampreys.	15	Edward VI.	Consumption.
Stephen.	49	The Piles.	42	Mary.	Small Pox.
Henry I.	55	Grief.	69	Elizabeth.	Course of Nature.
Richard I.	43	Killed by an arrow.	58	James I.	Ague.
John.	49	Course of nature.	48	Charles I.	Beheaded.
Henry III.	65	Age.	54	Charles II.	Apoplexy.
Edward I.	67	Diarrhœa.	67	James II.	Course of Nature.
Edward II.	43	Murdered.	32	Mary II.	Small Pox.
Edward III.	65	Course of nature.	52	William III.	Fall from his horse.
Richard II.	33	Consumption.	49	Anne.	Apoplexy.
Henry IV.	46	Apoplexy.	67	George I.	Paralytic Attack.
Henry V.	33	Pleurisy.	77	George II.	Died suddenly.
Henry VI.	49	Murdered.	82	George III.	Course of nature.
Edward IV.	41	Ague.	68	George IV.	Bursting of a blood-vessel.
Edward V.	12	Smothered.	72	William IV.	Course of nature.
Richard III.	42	Killed in battle.			

The perusal of the early portion of this list carries back the mind to a state of things, happily, long since passed. In those times, a crowned head

was little else than an index to a sorrowing heart. Look carefully, and see that seven only of the entire number have died in the course of nature, or of old age—only one of the latter! Only one out of every five have died from what may here be called “natural causes.” Three only have exceeded 70; and 67 seems an age fatal to royalty. Observers of the law of mortality, look at such a table, not with regard to individual cases, but as a whole. They find that the average “expectation” of our English sovereigns, at the time of their accession to the throne, was 33; they should, therefore, have died at the average age of 63; instead of which they have averaged only 52½ years—the penalty of their royalty being the curtailment of their existence by a period of 10½ years! With such facts before us, we need scarcely invoke the “immortal bard” to

“Tell sad stories of the death of kings;—
How some have been deposed, some slain in war,
Some haunted by the ghosts they have deposed :
Some poisoned by their wives ; some sleeping kill’d,
All murder’d ;—For within the hollow crown,
That rounds the mortal temples of a king,
Keeps Death his court ; and there the antic sits,
Scoffing his state, and grinning at his pomp.”

Richard II.

Happily, the causes which have brought about such results no more exist. Sovereigns no longer lead their armies to the battle-field, or mix themselves up in individual contentions and party strife. They are content to remain at home, secure in the hearts and affections of their subjects. Hence a great risk is removed, and life proportionately prolonged. It is found that the lives of royalty are infinitely safer in popular than in despotic, in civilized than in barbarous, states. In Germany, the reigns of thirty-eight emperors lasted, on an average, nineteen years; in Sweden, forty-one kings reigned eighteen years each; in Russia, fifty czars reigned, on an average, fifteen years; while in England (bad as things have been) the average is twenty-two and a half years. Taking all Europe, Newton was not very far wrong, when he stated that “kings reign, one with another, about eighteen or twenty years.”

THE WESTERN BANK OF SCOTLAND.

CALL OF ONE HUNDRED POUNDS PER SHARE.

From the Scotsman.

FOR some days past it has been known, though only to a comparatively few, and in a species of confidence, that the call to be made by the liquidators for the Western Bank would be very considerably greater than had been expected. A week or two ago there was an impression that a second call of £25 would suffice, and a large amount of disappointment and panic existed among the shareholders in the prospect of this demand. But before the end of last week it became known to some extent that the call

would be much larger. Yesterday morning £60 was the sum named, and in some quarters it was hinted that the call would even be as high as £75, while the great majority of persons regarded both statements as incredible; but last night it was officially intimated that the liquidators, on a careful review of the affairs of the bank, felt necessitated to make a call of no less than £100 per share. The following is the report in which the liquidators explain the necessity for this painful step:—

“The liquidators were appointed on the 1st February, 1858, and immediately entered upon the duties of their office. They brought the books of the bank to a balance, as at the date of their appointment, and at once took into consideration the position of the bank's affairs, and carefully examined the report and relative vidimus submitted by the committee of investigation to the shareholders on the 17th December, 1857, together with the detailed valuations of the outstanding assets, and the estimates of the probable means of the shareholders, prepared by that committee. They found these valuations and estimates had been the result of minute and anxious consideration on the part of the committee, whose means of information were varied and extensive; and they had no hesitation in adopting them generally as the basis of their first proceedings in the liquidation.

“Having in view the necessity of immediately taking some step towards payment of the debts, the delay that would necessarily take place in realizing the assets of the company, and the deficiency estimated by the committee at £304,792, the liquidators made a call upon the shareholders of £25 per share, payable in two equal instalments of £12 10s. each, upon the 1st of March and the first of June last respectively. They calculated at the time that this call would produce a sum sufficient to cover the estimated deficiency, and probably save a reversion available for interest and other contingencies. Their anticipations as to amount have been fully realized. The sums paid, as at 31st July, amount to £439,995 13s. 6d., and adding those since received or outstanding and reckoned good, the total produce of the call of £25 per share will probably not be less than £505,084 0s. 9d.

“The speedy recovery of the better class of assets during the first three months of the liquidation, and the prompt response by the shareholders to the call, enabled the liquidators on the 10th of May last to pay to the creditors an instalment of 10s. per pound on their claims, as at 9th of November, 1857. A portion of the money so paid has been re-lodged with the liquidators at a moderate rate of interest, by which a material saving of interest is effected.

“As the liquidation proceeded, however, it became evident that the valuations put upon the outstanding assets by the committee, although at the time apparently just and reasonable, would not be realized. Debtors for large amounts, taken as good, became insolvent; and in almost every instance the dividends realizable from the estates of bankrupts were found to fall short of the committee's estimates. Besides these, new sources of loss and deficiency were discovered in the process of realization, many of which it was impossible to foresee at the commencement of the liquidation; and although the call was being paid by the shareholders to an extent greater than had been expected, it became impossible to doubt that a second call would be required. As soon as it seemed certain that this

result was unavoidable, the liquidators resolved to bring the books of the bank to a balance as at 31st July, 1858, being six months from the commencement of the liquidation, and, with the more exact information which had become available, to examine in detail the state of affairs, and to estimate anew the value of the whole outstanding assets of the bank.

"In conducting this investigation, which has been the work of several months, and which is only now brought to a close, the liquidators have, on the one hand, endeavored to avoid underestimating the value of the assets, and on the other, they have not hesitated to make allowance for losses where doubts exist as to the sufficiency of the debtors. With regard to a very large proportion of the loss anticipated by the liquidators, there is little or no room for doubt—it may almost be said to be actually ascertained. The loss sustained through the insolvent houses of John Monteith and Co., D. and J. Macdonald and Co., Godfrey Pattison and Co., and J. W. Wallace, which was stated by the committee at £608,203 11s. 3d., will not, in the opinion of the liquidators, amount to less than £833,163 8s. 3d., being a difference of £224,959 17s. upon those four accounts alone, and they arrive at this result almost without doubt that it is substantially correct. In another class of cases there is more room for difference of opinion. Many debtors from whom full payment may be ultimately obtained if indulgence be judiciously granted, would, if pressed, become bankrupt; others have undertaken to pay compositions, which are only partially secured. In valuing such debts the liquidators have deemed it their duty to make what they believe will prove adequate provision for contingencies.

"The debts which arose from the connection of Messrs. James Lee and Co., of New York, with the bank, have now been reduced to £371,355, and nearly all the securities believed to be of any value are under the control of the liquidators. These, to a great extent, consist of American railway mortgage bonds, the sale of which at present would result in heavy loss to the bank; and under the advice of parties, both in this country and in America, in whose experience and judgment the liquidators place reliance, they have resolved to delay the realization for a time. With regard to the direct liabilities of Messrs. Lee and Co., the liquidators were desirous to bring about an amicable arrangement; but in this they have not succeeded, and under the advice of eminent American counsel, they have instituted legal proceedings, which will be pressed forward to judgment with the least possible delay. The loss on this branch of the assets it is, in these circumstances, impossible to estimate with any degree of accuracy, but the liquidators have in the mean time stated it at £100,000, being an addition of £40,000 to the estimate of the committee.

"The losses of the bank will be increased to the extent of about £43,000 through the agreement made in October, 1857, with the Edinburgh banks, that the loan of £510,060 made by them should be repayable in consols.

"A most important item now entering into the estimate of loss is that of interest, past and prospective. It is impossible even yet to state this item with precision, but having in view the time which will probably be required for the realization of the assets and the liquidation of the debts, and the fact that only a comparatively small portion of the assets still outstanding is likely to be paid in full, with interest, the liquidators cannot assume it at less than £300,000, and this sum they have stated as a liability of the bank.

"It is believed that several claims of relief are likely to be made, and to form the subject of litigation among certain classes of shareholders, in which, however, the general body of the shareholders have no direct interest. One action, however, has been instituted against the bank, which, if successful, would materially increase the ultimate loss to be provided for. On the other hand, the liquidators are anxiously watching the cases now pending in England, in regard to the liability of the directors of the Borough Bank of Liverpool; and the progress of these cases will enable them to judge how far the interest of the general body of the shareholders in this bank would be promoted by active proceedings on their part against all or any of the directors. They have not, however, in the mean time considered it incumbent upon them to make any provision in their estimates for the position of matters which might result from such suits.

"With these explanations as to the principles on which their examination has been conducted, the liquidators, with deep concern, now lay before the shareholders a *vidimus* of the bank's affairs as at 31st July last, showing, as the result of their late investigation, a probable deficiency of £916,864 6s. 8d. still failing to be provided after exhausting the first call of £25. The liquidators have arrived at this conclusion after bringing to bear upon the examination the better knowledge which they now possess of the bank's affairs, and all the care and attention of which they are capable, increased and rendered more anxious by the magnitude of the interests involved and the grave responsibilities arising out of the result. They cannot suppose that their estimates will in all cases prove correct, but, to the best of their judgment, the *vidimus* now submitted fairly exhibits the position of the bank. The detailed lists of the new valuations have been submitted to the Glasgow section of the committee of shareholders appointed to advise in the liquidation, who, after careful examination, have become satisfied that the same are correct.

"It has now become the duty of the liquidators to fix the amount of the call which the disastrous position of affairs thus disclosed has rendered necessary. This question has formed the subject of their deliberate and anxious consideration. Their past negotiations with shareholders have assisted the liquidators in estimating the amount that will probably be recovered under a second call; and, proceeding upon the best estimate which they can form of the means and resources of the shareholders, the liquidators have come to the conclusion, and have resolved that a second call of £100 per share must be made upon the shareholders of the bank. The call letters are in course of being issued.

"The liquidators have further resolved that this call shall be payable in one sum, at the office in Glasgow, on the 1st of November next. In adopting this resolution, the liquidators have had specially in view the importance of being in a situation at once to proceed where necessary for recovery of the whole amount. In cases where shareholders find it necessary to apply for reasonable delay, and satisfy the liquidators that they are making arrangements for payment of the call, the same consideration will be shown as has hitherto been done in the recovery of the first call.

"The meeting to be held on the 13th *curt.* has been called under the statutes for the purpose of confirming, if so resolved, the resolution adopted at the meeting held in August last, conferring powers of compromise and discharge on the liquidators. At the date of that meeting the liquidators

did not anticipate that a call of such magnitude would be found necessary. Now that it has been made, and that the proposed delegation of powers will in consequence have a greatly extended range, the shareholders will no doubt anxiously deliberate on the propriety of confirming the previous resolution. The liquidators are more than ever satisfied that the interests of all concerned will be best protected by the course proposed, but they deeply feel the responsibility of exercising such a power even with the assistance of a committee.

"The liquidators desire, in closing this report, to express deep and heartfelt concern that they are compelled to communicate a state of matters so much more painful and ruinous than has hitherto been anticipated. They have considered it to be their duty to every interest involved to bring out, as far as in their power, and at the earliest possible date, the true financial position of the bank, and at once to make the amount of call which a full investigation has shown to be indispensable to carry on the liquidation. Their devoted exertions will be continued for the benefit of the shareholders, in realizing the assets to the utmost advantage, and in maintaining, as far as their statutory powers enable them to do so, every right and claim which may be competent, as well to creditors of the bank as to the general body of shareholders.

"Rob. Lumsden, J. S. Fleming, Chas. Gairdner, Samuel Raleigh, *Liquidators.*"

The London correspondent of the *New York Commercial* writes by the last steamer respecting the affairs of the Western Bank of Scotland, that was fleeced by sharpers at home and in America, and went down in the panic, and for which the stockholders were individually liable, as follows:

"The next topic of importance has been the further disgraceful revelations in the progress of the liquidation of the Western Bank of Scotland. The ruin it has spread through Glasgow is beyond any thing experienced from any financial disaster during the last twenty years. Thirteen hundred families held investments in the concern, which, in many cases, constituted the sole dependence of aged professional men, widows and orphan daughters. The total paid-up capital was equal to \$7,500,000, and a year or two before the failure the price of shares \$250 was \$400. When the stoppage occurred it was seen that the whole of that property was swept away, and that those who had nothing else would be reduced to destitution. It was hoped, however, that this would be the worst. In a little further time it transpired that there would be a deficiency of \$1,500,000, in addition to the loss of the whole capital. A call of \$125 per share was accordingly enforced on all who had any thing left. This was finally paid in June last. A lull then intervened, and it was supposed the end of the mischief was known. Gradually, however, it crept out that fresh misery would be entailed, and it was also stated, that in the progress of investigation it had been discovered that the delinquencies of all concerned in the management could be traced back from many years. Still it was believed that any new contribution that would be demanded from the unhappy shareholders would be comparatively moderate. Complete astonishment was therefore excited the day before yesterday, when it was announced that the deficiency, instead of being \$1,500,000, had proved to be \$7,000,000, and that upon each share a fresh payment of \$500 would be required within twenty-four days."

LEGAL MISCELLANY.

COLLECTION PAPER.—FRAUDULENT TRANSFER.

It is well known that the Ohio Life Insurance and Trust Company, prior to its failure, had transferred, as collateral security, vast amounts of negotiable paper, belonging to Ohio banks, and held by the Trust Company for collection. This paper had, in many instances, been endorsed to the Trust Company by the cashiers of the banks remitting it, in the form stated in the case referred to. The holders of this paper have instituted suits against the Ohio banks upon the endorsement of their cashiers. The banks, on the other hand, have brought actions against the holders to recover the paper, as still belonging to them. Most of these suits are still pending, having never been brought to trial. The one to which attention is now called may be regarded as a pioneer. The questions raised are interesting and important. One question is, whether the cashier of a bank has authority, by virtue of his office, to bind the bank as an endorser? Another question is, whether an endorsement, like the one stated in the present case, is sufficient, in point of form, to bind the bank, the name of the bank not appearing at all on any part of the paper; and it not appearing except by parol evidence, of what bank or institution the party endorsing is cashier? We believe neither of these questions has ever been directly decided in this State.

Before the Superior Court, New York—Special Term. Judge Hoffman presiding.

The Xenia Branch of the State Bank of Ohio agt. James Lee and Benjamin C. Lee.—Motion to strike out a counter claim in an answer. The plaintiffs, a corporation created by the laws of Ohio, allege that they became possessed of certain bills of exchange and acceptances (which they enumerate), by taking and discounting them in the regular course of business; that to facilitate the collection of them they endorsed and transmitted them to their agent, the Ohio Life Insurance and Trust Company, at its office in New York; that such Company was only authorized to collect and pay the proceeds to the plaintiffs, without power to sell, pledge, or otherwise dispose of them; that such company was indebted to the defendants for money loaned upon usurious interest, and transferred and delivered the bills and acceptances in question to the defendants as collateral security for such usurious and precedent indebtedness; that the defendants took the same, with knowledge that they were the property of the plaintiffs, and that the Trust Company had no power to transfer the same.

A statute of Ohio is then set forth, under which the plaintiffs became incorporated, by which it was enacted that no notes or bills discounted by such bank should be assignable, except for collection, or to pay and redeem the circulating notes of such bank, or to pay its liabilities; that the defendants had notice of such statute.

The complaint then states a demand and refusal to deliver; an unlawful detention and conversion; that the value of the securities is the sum of \$51,833 86, and demands judgment for such sum.

The answer denies the allegation of the complaint, and avers that the

several drafts or bills of exchange mentioned, were endorsed in blank by the Ohio Life and Trust Company, by Edward Ludlow, its Cashier, and were delivered to the defendants before their maturity; that they were received in good faith, without any notice of their being the property of the plaintiffs, or not being the property of the said Ohio Life and Trust Company, and were delivered and received as collateral security for the payment of lawful money loaned to such company, on the faith and credit of such bills of exchange so endorsed; that the amount loaned was equal to the amount payable by the terms of the drafts, and became due before the demand made upon them; further, that the plaintiffs have received the full amount of the drafts or bills from the drawers or endorsers; that the plaintiffs were, at the commencement of the action, and are now, indebted to the Ohio Life and Trust Company in an amount exceeding the whole amount of the drafts, and they, therefore, claim the right to retain them as endorsers of such company.

The answer then set up, by way of counter claim, the making of the several drafts by the respective makers, with dates, &c., in favor of *Jas. B. Scott, Cashier, or order*, addressed to E. Ludlow, Cashier of the Ohio Life and Trust Company; that the plaintiffs were in fact the payers of them respectively, *Scott* being their cashier; sets forth their endorsement by *Scott*, as such cashier, and delivery to the Ohio Life and Trust Company, who became the legal owners and holders thereof; the endorsement of them by the cashier of such company, and delivery to the defendants; the due presentment at maturity at the office of the company, to the cashier, on demand and refusal, protests and notice to the plaintiffs, and its reception. The defendants allege that there is due upon the bills an aggregate amount of \$51,833 86, with interest as stated, and demand judgment for this sum against the plaintiffs.

HOFFMAN, J.—The question is thus presented. The plaintiffs have brought an action to recover damages for the unlawful detention and conversion by the defendants of certain bills of exchange, which they aver belonged to them, and were illegally obtained and converted by the defendants. The defendants admit the possession; deny the property or right of the plaintiffs; insist upon the legality and justice of their own title; state the mode of acquiring the possession in good faith and for value, and make out, upon their own showing, a case of a full defence to the plaintiffs' claim. They then aver that the plaintiffs are endorsers upon the bills, a demand at maturity of the drawees, refusal, protest, and notice; and they claim judgment against the plaintiffs for the amount. Can such a counter-claim be admitted under the Code?

The 150th section warrants a counter-claim in favor of a defendant against a plaintiff, for a cause of action arising out of the transaction set forth in the complaint, as the foundation of the plaintiffs' claim, or connected with the subject of the action. (Sub. 1.) The transaction out of which the plaintiffs' claim arises, or on which it is founded, is the delivery to, or possession by, the defendants of the bills in question. The case of the plaintiffs is, that such delivery and possession gave no title to the defendants; the claim of the defendants is, that it vested in them a full right to the bills and their avails, and necessarily to all remedies against all parties to them. Thus, the plaintiffs' claim and the defendants' demand seem strictly to

spring from the same transaction, although other circumstances attending that transaction will make the case turn in favor of the one or the other.

Again, what meaning is to be given to the broad language, "*or connected with the subject of the action?*" The subject of the action is the possession and right to the bills. The cause of action of the plaintiffs is the illegal withholding of them by the defendants. The cause of action by the defendants to the legality of their possession and ownership. The cause of each is connected with the same subject.

The legal character of a counter claim, under the Code, was fully discussed in the case of *Gleason agt. Moer* (2 Duer Rep. 642). It is such a cause of action as, under the former system, would have sustained an action at law, or a suit in equity, against the plaintiff on record. The old set-off is comprised; any claim or contract, sealed or unsealed, and whether the damages are liquidated or unliquidated, is included; and also, any breaches by the plaintiff of any promise or contract on his part contained in the contract sued upon; any equitable relief against a legal demand formerly attainable by a bill in Chancery; and any affirmative relief which, in equity suits, could be had by a cross bill.

Comprehensive as this description of a counter claim is, and clearly as it defines the laws at least in our court, it perhaps does not, by any logical inference, include precisely the present case. Certainly, however, there is nothing to exclude its being comprised within the legal scope and meaning of a counter claim. In the case of the *Mayor of New York agt. Maybie* (3 Kernan R. 151), it was held, independently of the Code, that in an action by a lessor for rent, the lessee might recover damages sustained by a breach of an implied covenant for quiet enjoyment. In the court below the question was suggested whether, under the Code, it might not be done, but the case depended upon the law before the Code. In *Drake agt. Cockroft* (10 Howard Rep. 37), the action was for rent reserved in a lease, and the defendant set up a claim for damages resulting from the plaintiff's breaking open a stable, part of premises hired, and taking away certain personal property. This, it was held, he could not do. A mere trespass was no more connected with the subject of an action brought for rent than an assault and battery of the tenant by the landlord would be.

Mr. Justice Woodruff, in delivering the opinion of the court, states propositions fully coextensive with the principle of the decision in the *Mayor, &c. agt. Maybie*, subsequently made. (See page 382.) In *Ashins agt. Hearne* (3 Abbott Rep. 184), Justice Emmott thought that a counter claim could not be sustained upon the following facts: The plaintiff sued for damages for the conversion of a ring. The defendant alleged an exchange of rings, each to be kept until the other should be returned, and averred a tender of the one and demand of the other, and asked judgment for his ring or its value. It is supposed that the ground of this case is, that opposite causes of action for *torts* cannot be the subject of counter claim. Yet, perhaps, a distinction may be suggested—that where the ground of each claim is really a contract, although the form of action under the old system would be for a wrong, then, when the transaction which gives rise to each is the same, the Code is broad enough to include a counter claim. The exchange alleged of the rings was, in fact, a mutual agreement.

In *Pattison agt. Richards* (22 Barbour Rep. 143), the action was for damages, in diverting the water of a stream from the plaintiff's land by

ditches cut on the land of the defendant. The defendant set up a claim for the violation of an agreement by the plaintiff, relative to the deepening of the channel of the stream through their respective lands made four years previously. It was held by the general term to be inadmissible as a counter claim.

It is apparent, that the alleged counter claim did not arise from the same transaction, and was not connected with the subject of the plaintiff's action, except in the most indefinite and remote manner, as relating to the land. But the learned judge does state, that in an action of tort, previous to the code of 1852, set-offs were not allowed; nor are they now allowed as counter claims, under the second sub-division of section 150 of the code of 1852. Counter claims under the code of 1852, embrace both set-offs and recoupments, as they were understood prior to the Code.

Assuming that, in a pure action of tort, as before understood, no counter claim for a tort is permissible, we do not yet obtain a rule which would clearly exclude a claim to or upon a piece of property or chose in action, by contract express or implied, when the plaintiff's demand is to recover that property or its value.

THE LAW OF LIFE INSURANCE.

Effect of Failure to Pay Premium Note, &c.

BEFORE THE SUPERIOR COURT—CINCINNATI.—In general Term. Sanderson Roberts *vs.* New England Mutual Life Insurance Company.

Contracts for life insurance are not contracts of indemnity, like those of fire or marine insurance; they are agreements, on the part of the insurer, to pay a prescribed sum, no more and no less—if the person whose life is insured shall die within the time for which the risk was taken.

The premium to be paid on life insurance is always paid, or secured to be paid, in advance. If there is a failure to pay when, by the terms of the policy, it is to be paid, the risk is at an end.

When, by the terms of the policy, a portion of the annual premium is paid in advance, and the residue in six months, and a note is taken for the deferred payment, a failure to pay the note at maturity defeats the policy; so, that if, within the year, but after the note became due, and was unpaid, the life insured should terminate, no claim can be set up against the insurer. His liability no longer exists.

OPINION BY JUDGE STORER.—The defendants in error, a corporation by the law of Massachusetts, issued a life policy on the 22d of February, 1855, by which, in consideration of \$90 40, paid to them by Geo. W. Sessions, of Painesville, Ohio, and for the like sum to be paid on the 22d of February, in each year thereafter, during the continuance of the risk, they caused said Sessions to be insured for the term of seven years, upon

his life, "for the benefit of the plaintiff in error, Sanderson Roberts, for the benefit of himself, and for any firms of which he may be a member, to the amount of their then subsisting demands against said assured, as creditors; surplus, if any, for the benefit of the assured, his heirs and representatives." The sum insured, was \$8,000.

The policy, among other conditions, contained the following:—1. "In case the premium should not be paid to said Company, at or before the time therein mentioned for the payment of the same, then, and in every such case, the said Company shall not be liable for the payment of the sum insured, or any part thereof; and the policy shall thereupon cease and be forfeited." 2. "The policy and any sum that should become due thereon from said Company for loss, or for distribution, or for return of premium, are pledged and hypothecated to said Company, and they have a lien thereon, to secure the payment of any premium, or part thereof, on which credit may be given, and of any note or security given, or to be given to said Company therefor; and, on non-payment of any such premium, or such note or security, or any part thereof, when due, all claim upon the policy shall be forfeited to said Company, and the policy shall be void."

When the policy issued, Roberts paid in cash one-half of the premium for the first year of the risk, and by an arrangement with the defendants, gave his note for the other moiety, payable in six months, with interest: this note became due in August, 1855. In November following, Sessions, whose life had been insured, died; of which fact the agent of the Company was duly notified, and payment of the sum insured thereon demanded. Payment was refused, on the ground that the moiety of the premium covering the risk of the half year, from August 1855, to February, 1856, and which was represented by the note given by Roberts, had not been paid at maturity. Roberts offered to discharge it at that time, but the agent declined to receive it, on the ground that he had no power to do so.

The note was dated "Boston, Feb'y 22, 1855, payable to the New England Mutual Life Insurance Company, or their order, for \$45 22-100, in six months, with interest, being in part of premium on policy No. 5,237 of said Company, on the life of George W. Sessions," and signed, as already stated, by Roberts. The Company received the original proposition for insurance through their agent in Cincinnati, by whom the policy was afterwards delivered to Roberts. He also received the cash payment and the premium note, and had possession of the note when it became due. The case was submitted to Judge Gholson, in Special Term. On the trial, it was claimed, by the Company, that there was no subsisting insurance when Sessions, the person insured, died, the non-payment of the premium due in August, having *ex vi termini* put an end to the risk.

On the other hand, the plaintiff in error insisted—

1. The policy having been issued on the receipt of a portion of the premium by the underwriter, and a note taken for the residue, with interest, payable at a future day, the condition that would otherwise have been precedent, was waived, and the remedy for the amount due was upon the note only, by way of action.

2. That the insurance was for seven years, and, therefore, an entire contract, and the policy, when once issued, conferred a right that would not be defeated by the non-performance of a condition subsequent: failure, therefore, to comply strictly with the stipulations of the contract would not destroy the claim of the assured; for that equity might well relieve, as in other cases of technical forfeiture.

3. That it was the duty of the Company, or their agent, to notify the maker of the note when it became due; and as that information was not given, the party bound to pay was misled. If there was any neglect, therefore, on his part, it was caused by the prior omission of the underwriter, and can now be set up to forfeit the policy.

After a full hearing, judgment was rendered for the defendant. The Judge holding that the risk was determined by the non-payment of the premium, in August 1855, and if the default could have been waived, there was no evidence to sustain such an assumption.

Exceptions were taken to the ruling of the Court, and the judgment at Special Term is now sought to be reversed, as well for the alleged error in deciding the case for the defendant, as for the refusal of the Judge to grant a new trial on the motion of the plaintiff.

The questions presented for our consideration, necessarily involve a thorough construction of the contract between the parties.

A contract of insurance is defined, generally to be one of indemnity, whereby the assured is saved harmless from either a total or partial loss of the subject at risk. We may apply, very readily, the principle thus stated to a marine or fire policy, and hold both, as they really are, to be such contracts; but it is not perceived on what ground life insurance has sometimes been placed in the same category.

In the first class of contracts, the amount to be recovered is measured by the extent of the injury sustained: it may reach the whole sum assured, or require only a partial payment from the underwriter; but in the latter class, the loss must ever be a total one. The death of the person whose life is insured being the only event upon the happening of which a liability upon the policy can ever be created, there cannot be a claim for a less sum than that taken upon his life, nor a right to discharge it, but by the tender of the whole amount at risk.

In the late case of *Dalby vs. The India and London Life Insurance Co.*, (28 English Law and Equity R. 317), Baron Parke said: "The contract commonly called Life Insurance, when properly considered, is a mere contract to pay a certain sum of money on the death of a person, in consideration of the due payment of a certain annuity for his life, the amount being calculated in the first instance according to the probable duration of the life: and when once fixed, it is constant and invariable. The annuity then is to be uniformly paid, on the one side, and the sum due in the event of death, to be paid on the other. This species of insurance in no way resembles a contract of indemnity."

It follows that the policy issued by the defendants in error is an undertaking to pay a sum certain on the happening of a particular event, provided the insured, or those for whose benefit the risk was taken, shall have performed the conditions required on their part. By the terms of the contract already stated, the payment of the premium must precede the liability of the insurers. It is made the condition upon which the risk is to depend, and unless it has been complied with or waived by the defendants, it is clear the plaintiff cannot recover. It cannot be doubted but the parties to the contract had the right to settle its terms, and affix any condition they saw proper, if not inconsistent with law; and they might well determine the mode in which, and the time when these conditions should be performed. When the agreement is once made, and its terms clearly

defined, the duty of the courts is plain. Whatever the arrangements between the parties are, they must be carried out, according to their intention.

On this principle, the assured has been denied his claim to recover, if he has failed to notify the underwriter of any prior or subsequent insurance on the subject at risk, or has not caused it to be endorsed on the policy; and this, too, when there is proof by parol, that the agents of the insurers knew of the existence of the fact, and assented to the additional insurance. And thus it is, that a warranty, inserted in the policy, is in the nature of a condition precedent, and it is, as is well said by Mr. Ellis in his work on "Fire and Life Insurance," (p. 28.) "quite immaterial for what purpose, or for what view it is made; but, being once embodied in the contract, it becomes a binding warranty on the insured, and, unless he can show that it has been strictly fulfilled, he can derive no benefit from the policy," and the rule is the same whether the condition be material to the risk or not, and whether the non-compliance be with or without the act or privity of the insured. (Phillips on Insurance, sec. 866.)

But, it is said by counsel that a fair construction of the policy will authorize the assumption that the underwriters were satisfied with the note given for a moiety of the premium, as a substitute for the cash agreed to be paid by the rules of the company; and, therefore, the remedy exists only upon a note, the condition being waived by its reception, that required payment in advance.

The premium, it will be remarked, by the agreement of parties, was divided, a moiety being advanced in cash, and on the residue, a credit of six months given. The note was but the result of the arrangement. It did not, we think, impose any new duty upon the assurer or the assured; both must have understood the purpose for which it was given. It furnished evidence, we suppose, of the credit allowed, and the sum agreed to be paid. It could not, certainly, be a waiver of the condition contained in the policy, as both parties were fully advised of their requirements; but it must be regarded as placing the parties in no other situation than they would have been had no note been taken. In that event, the semi-annual payment must have been made on the day it became due, for such was the contract; and the note, we think, was but the evidence of its terms.

We must hold, then, that by taking the note for a portion of the premium, the rights and duties of the underwriter and the insured were unchanged; they are to be determined upon the same principle that would apply when a parol agreement alone existed. Nor can the admission in the policy that the premium was paid, preclude the inquiry into the real state of facts. Such a statement is clearly *prima facie*, sufficient to cast the burden of disproving it upon the defendants, but like any other admission of the receipt of money, whether by parol or writing, or deed, it may be explained, and, if necessary, controverted. There is no distinction in this respect, between a contract on insurance, and a conveyance of land, the payment of premium or of the purchase-money, are alike the subjects of denial, however clear may have been the acknowledgment of either by the contract. In such cases, there is no estoppel.

It is further argued that there are equitable circumstances in the case, which will authorize the court under the plenary powers given in our code of practice, to give the relief on the ground of accident and mistake. We have no doubt of our jurisdiction in a proper case, but the facts upon which

the plaintiff relies, in our opinion do not constitute any sufficient reason for our interference to save a forfeiture, if one has been created, or to change the terms of a contract. that are neither obscure nor ambiguous.

When the premium note became due, it is admitted the agent of the defendants held it for collection, and it is claimed no notice of the fact was given to the maker, in consequence of which he was thrown off his guard, and did not meet the payment. In this connection, it is also admitted, that all notes given in the course of business, whether payable at a bank or not, are usually deposited there for collection; but it was not so done by the agent, and as the maker, it is asserted, would have paid it, had it taken the ordinary course, he ought not to suffer by the alleged neglect of the assurers.

The note was dated in Boston, and was payable there, though, at the time it was due, it was in the hands of the agent in Cincinnati. We suppose there is no legal duty imposed upon the holder of a note or an accepted bill, where no third parties are sought to be made liable, to notify the maker or acceptor of the day of payment, or to demand payment when it is due. The obligation is perfect on the part of the maker, to discharge his contract, and it is his duty to tender payment when the credit expires. Although the note was payable in Boston, it does not appear that any effort was made to discharge it there. It is admitted none was made here, until after the time of payment had expired, and the party, whose life was insured, had died. But, it is further urged, that we can save a forfeiture upon equitable principles, and it is but just that we should interfere, and, by decreeing the premium note to be paid, place the parties in the same condition they were when the loss occurred.

A forfeiture may always be saved when compensation can be given for the non-performance of a condition, provided the condition is not precedent to the existence of the right to be enforced.

It is true such conditions will be regarded as covenants, in all cases where the parties have not otherwise clearly intended, and their agreements are made dependent upon a prior duty to be performed, or an act omitted. Whenever an estate is to vest, or a personal right to accrue, upon the happening of a condition agreed upon, and clearly understood by the parties, there must be a fulfilment of the condition before any claim can exist.

The rule as to conditions subsequent is manifestly different. In such cases, forfeitures are always saved, for the reason that when a right has once vested, it will not be taken away, but the relief will be measured in damages.

There may be, and the modern authorities justify the remark, cases where even a precedent condition may be regarded as a covenant, and relief awarded by compensation in money; but when the parties cannot be placed upon equal terms, and the damages on the one part made equivalent on the enjoyment of a benefit on the other, the established rule must be adhered to.

Here, the application of the rule would be to permit the insured to create a new contract, and that, too, after the death of the person whose life was at risk; and as the premium was not tendered until after the loss occurred, there was no life at risk, and, therefore, no subject of insurance.

Life insurances, especially when made in mutual companies, depend, in no small degree, for their security, as well as the promptness of the insurers to pay, in case of loss, upon the receipt of premiums in advance by the

underwriter. His ability to pay is strengthened, if it does not mainly rest upon the accumulation of these premiums into a common fund, for the mutual benefit of those interested in the profits, as well as the safety and certainty of the risk to those for whose use it has been taken.

It is not merely a question of interest, but one of absolute duty, in fact, of self-preservation, when a life insurance company issues a policy, and requires the premium agreed upon to be punctually paid; and it is, therefore, just, where a condition is found in the policy that a failure to pay shall avoid it, that the insurers shall have the benefit of the stipulations thus made to protect themselves, and fully assented to by the insured when he received the policy.

Whenever, then, it is clear, that the parties understand the contract to impose the duty of prompt payment, and require it as a condition before any right can vest, we have no other course to pursue but to hold them to their agreement.

The principle upon which courts should act, in similar cases, has been already stated; but it is very fully and forcibly set forth by Sir William Grant, in 13 Ves. 428, (*Sparks vs. The Liverpool Water Works Co.*) and we adopt the reasoning and the law of that case, to its fullest extent.

We have been reminded that the acts of the defendant subsequent to the time the note became due, were a waiver of the condition: but we find no evidence to sustain such a claim.

We do not understand that a policy, forfeited or avoided for the non-performance of a condition precedent, can be set up on any such principle.

On a very careful examination of the case, aided, as we have been, by the very thorough arguments of all the counsel, we have, after much deliberation, arrived at the conclusion that the clauses in the policy requiring the payment of premium in cash, as well as all notes given for any portion of it, are precedent conditions, that must have been literally complied with by the insured, before any liability could exist against the insurers; that the moiety of the premium due on the 22d day of August, 1855, was not then paid, nor was it tendered until after the death of Sessions, whose life was insured, and the policy, therefore, ceased to be of any value from the period the credit expired; that there has been no waiver of the condition by the underwriters, nor have we any equitable power to grant relief, on any supposed ground that we might, in a proper case, save a forfeiture.

On the whole case, we must affirm the judgment.

Life Insurance in England.—The success of several of the old-established Life Offices in England has led to the formation of one hundred and one additional Companies in London since the year 1837, viz.:

	Comp's.		Comp's.		Comp's.		Comp's.
1837.....	5	1843.....	3	1849.....	2	1855.....	10
1838.....	6	1844.....	8	1850.....	4	1856.....	3
1839.....	3	1845.....	4	1851.....	3	1857.....	1
1840.....	5	1846.....	9	1852.....	4		
1841.....	2	1847.....	2	1853.....	9		
1842.....	1	1848.....	4	1854.....	13		

The evident unfitness of many of the projectors of these Companies, and of others preceding them, is fully established by the fact, that six of the Companies have been declared swindles, seventeen have died out from want of business, fifteen are insolvent or winding up in Chancery, and seventy-nine have been merged in older Companies.

• ALLEGHANY COUNTY BONDS.

DECISION OF THE SUPREME COURT OF PENNSYLVANIA.

In the Supreme Court of Pennsylvania, October and November Term, 1858, Commonwealth, ex relatione THOMAS vs. the Commissioners of Alleghany County. Application for a Mandamus. Judgment for Relator, Pittsburg, Nov. 11, 1858. Opinion of the Court, by Judge WOODWARD. The Commonwealth of Pennsylvania vs. The Commissioners of the County of Alleghany. Mandamus. The opinion of the Court was delivered by WOODWARD, Justice.

ON the 21st of May last this Court, at the instance and on complaint of Joseph T. Thomas, as relator, awarded an alternative mandamus against the Commissioners of Alleghany County, requiring them to proceed, under the Acts of Assembly relating to county rates and levies, and make provision for the payment of the interest accrued and accruing, on certain bonds issued by the county, to the aggregate amount of \$300,000—two of which the relator holds, or show an adequate cause for their not doing so. To this writ the Commissioners have made a return; the sufficiency of which is hereafter to be noticed.

The counsel for the relator deeming it insufficient, have moved the Court to disallow it, and award peremptory mandamus, and, on this motion, argument has been fully heard by the counsel of the respective parties.

This motion is according to the course of the common law of mandamus, but, by the statute, both in England and Pennsylvania, an unsatisfactory return is now required to be replied to by a demurrer, plea or traverse. Under our statute the case then assumes the form of an ordinary action at law, and all questions properly arising are to be tried in the same manner as was formerly done at common law in the action for a false return. If judgment be given for the party suing the writ, a peremptory writ of mandamus issues without delay, as if the return had been adjudged insufficient. At common law a judgment is not necessary to support the peremptory writ; under our statute it is.

Such, in brief, is the statutory mode of proceeding in suits of mandamus; and, because it is expressly enjoined by our Act of 14th of June, 1836, and necessary also for the sake of symmetry of the record, we shall treat the motion and argument made on behalf of the relator, as a demurrer to the return of the respondents, and proceed to consider the case, as if it had been entered in form. The sufficiency of the return is thus fairly raised upon the record. Before proceeding to test it, however, it is necessary to obtain a clear view of the grounds on which the relator has instituted the action.

He claims to be the owner, in his own right, of two bonds or certificates of loan, executed by the Commissioners of Alleghany County on the 15th day of July, 1853, under the seal of said county, for \$1,000 each (part of the aforesaid issue of \$300,000), payable to the Pittsburg and Steubenville

Railroad Company, or bearer, on the 15th day of July, 1885, with interest at the rate of six per cent. per annum, payable semi-annually, on the 15th day of January and July, at the city of New York, upon presentation and surrender of the proper coupons thereto annexed. He complains that the county has wholly and wrongfully neglected to make any provision for the payment of the interest on said bonds. Our alternative mandamus, founding itself on the matters charged by the relator, recites an act of Assembly of 1849, incorporating the Pittsburg and Steubenville Railroad Company, and a supplement thereto of 26th February, 1853, authorizing the county of Alleghany, through its Commissioners, and upon the recommendation of one grand jury, to subscribe an amount not exceeding ten thousand shares to the capital stock of said company, to borrow money to pay therefor, and to make provision for the principal and interest of the money so borrowed, as in other cases of loans to said county. The writ further recites the recommendation of the grand jury in June term, 1853, that the county should subscribe an amount not exceeding ten thousand shares to the capital stock of said company—the fact of a subscription of six thousand shares—and the issue of bonds therefor in the gross amount of \$300,000, in amounts respectively of one thousand dollars each, and that the two bonds of the relator, issued as part payment of said subscription, were transferred by the Railroad Company, in conformity with the aforesaid act of Assembly of 1853, as well as of two other acts approved March 2d, 1855, and May 27th, 1855. It charges also that a large amount of interest is due and unpaid.

Such is the relator's case. It is an appropriate case for mandamus. He does not ask that judgment be rendered for him for the amount of the unpaid interest, but simply that public officers—the fiscal agents of the county of Alleghany—clothed by law with the power of assessing and collecting taxes to the extent of one cent on the dollar of the adjusted valuation of taxable property in the county, shall be required to provide means for paying that interest in the same manner they provide for paying other debts of the county.

It is obvious that he has no other adequate legal remedy. The acts of Assembly relating to county rates and levies, impose no specific penalty upon the Commissioners for the neglect of such duties as they are called on to perform; and if a penalty were provided, it is well settled that it would not supersede the remedy by mandamus. If the relator were demanding paying merely of his interest, he might, indeed, sue by action of debt; but so might every holder of any of the three hundred bonds, and thus every six months would bring down upon the county an avalanche of lawsuits that would be destructive to her treasury. And a remedy that would require three hundred creditors to sue twice a year for interest, could scarcely be regarded as adequate. The law is bound to furnish some better means, even if immediate payment were the thing sought. But where that is not the immediate object, but the relator only seeks to put the County Commissioners in motion to execute duties devolved on them by law, neither the action of debt, nor any other ordinary action, is adequate. I need not consider whether he had any remedy in equity, for, according to the best authorities, both English and American, the existence of an equitable remedy is not a ground for refusing mandamus. Although mandamus is usually spoken of as an *extraordinary* remedy, and it is so in the sense that it lies only where there is a clear legal right, and no adequate remedy

for it at law, yet, since the time of Lord Mansfield, it has grown into great use in England, and the effect of the various decisions is said to be that the Court of King's Bench, as the general guardian of public rights, and in exercise of its authority to grant the writ, will render it, as far as it can, the supplementary means of substantial justice in every case, where there is no other specific legal remedy for a legal right; and will provide, as effectually as it can, that all official duties are fulfilled, whenever the subject matter is properly within its control. Originally, mandamus was a mere letter missive from the King to a subordinate functionary, commanding the performance of his duty—then it became a legislative power—and finally was committed to the Court of King's Bench as a judicial remedy, and as such it has been extensively and beneficially applied. Thus, it is a general rule that, whenever an act of Parliament gives power to, or imposes an obligation on, a particular person to do some particular act or duty, and provides no specific legal remedy for non-performance, the Court will, in order to prevent a failure of justice, grant the writ to command the doing of such act or duty. The books abound with instances of the writ directed to the inferior courts, magistrates, and local authorities, commanding them to execute acts of the Legislature. So the Ordinary has often been commanded to grant letters testamentary, and of administration,—bishops to institute clergy, aldermen and burgesses to proceed in the execution of their official duties, incorporated companies to execute charter powers, and church wardens to make and raise one or more rates for the repayment of money and its interest, borrowed on credit of the parish. It lies also to command a municipal corporation to enforce payment of existing borough rates, and to make and cause to be collected another borough rate wherewith to pay instalments on a compositive bond, and, in a case in *Strange's Reports*, 63, it was held to lie commanding the making of a county rate.

Instances might be multiplied of the frequent resort to this writ in England, to enforce the execution of official duties, especially of a fiscal nature, involving the taxing power; but they will be found collected and arranged under appropriate heads in "Tapping on Mandamus," to which I refer *passim*, and it is not necessary that I should cite more. For a succinct view of the law of this writ, as it prevails in the United States, I refer to *Angell & Ames on Corporations—title Mandamus*. In this court the writ has been often discussed, and in many instances applied. The general rule with us is, that where a ministerial act is to be done, and there is no other specific remedy, a mandamus will be granted to do the act required. *Griffith vs. Cochran*, 5 Binney, 37, 103; *Com. vs. Cochran*, 1 Sergeant & Rawle, 473; *Com. vs. Johnston*, 2 Binney, 275. See also 2 Binney, 362; 16 Sergeant & Rawle, 317; 20 Pa. Reports, 518; 4 Casey, 108.

I refer also to the case of *Graham & Knox vs. the City of Maysville*, lately decided in the Circuit Court of Madison county, (Ky.) and reported in the *American Law Register* for August, 1858; where, in a case bearing in many points a striking resemblance to the one before us, the law of mandamus was discussed with learning and ability, and the full remedial power of the writ applied.

From all these sources, it is abundantly apparent that the case presented by the relator is a fit one for mandamus, unless grounds be disclosed in the returns for withholding it.

And this brings us to the consideration of the matters alleged in the re

turn. The first thing to be remarked, on looking into the return, is that the Commissioners nowhere in it deny, either expressly or by implication, the execution of the bonds in question. Nor is their delivery to the Railroad Company in payment of the county subscription denied. So far forth, then, as the execution and delivery of the instruments of indebtedness can bind the county, she is bound, for execution and delivery are unquestioned. Another observation is that many of the pleas or allegations of the return is wanted in that pertinency, directness, and certainty, which the law requires.

At common law the certainty required in returns to mandamus was as strict as that which governed estoppals, indictments, or returns to writs of habeas corpus, and the statute of 9th Anne C. 20, though it relieved the process of many of its common law peculiarities, did not take away the strictness of return which the common law required. Our legislation has not touched the point.

But the Court of King's Bench (now properly called Queen's Bench) have gradually relaxed the common law rule, and at this day, the certainty required is said to be "certainty to a certain intent in general"—which means that which, upon a fair and reasonable construction, may be called certain, without recurring to possible facts which do not appear. And every allegation of a return must be direct, and be stated in the most unqualified manner—not inferentially or argumentatively, but with certainty and plainness. Tapping, 354, 357.

The jurisdictions of this Court are derived from the constitution and legislation of Pennsylvania, but the measure of the extent of its jurisdiction is according to that of the Queen's Bench and the Exchequer Chamber in England, so that we naturally follow the former tribunal in the rules that obtain in mandamus pleadings. Taking the rule that requires certainty and directness to a reasonable intent in general, it will be found, as we proceed with the analysis of the return before us, that it is a defective return in many particulars. The several parts of it may be regarded as so many pleas, and may be numbered and stated as follows:—

1st. It first sets out that the Grand Jury did not recommend a subscription of any "given amount" of shares of the stock of said company. The irrelevancy of this will be seen, not only from the general views hereafter to be expressed in reference to the third plea, but from the absence of any allegation on the part of the relator that the Grand Jury recommended any "given amount." He does not allege it, and he was under no necessity to allege it, for the Act of Assembly did not require the Grand Jury to specify or designate the amount of the subscription. The act authorized the county to subscribe an amount "not exceeding ten thousand shares, on the recommendation of the Grand Jury." The relator charges that the Grand Jury recommended a "subscription not exceeding ten thousand shares, and the Commissioners made a subscription of six thousand." It is manifest that the plea meets nothing of this charge, and amounts to nothing as a defence, because the law did not impose on the Grand Jury (as in the case of Mercer county *vs.* the Pittsburg and Erie R. R. Co., 3 Casey, 390) the duty of designating the subscription to be made. It simply requires the Grand Jury's approbation of the subscription contemplated by the act; and the relator charges that such approbation was obtained, and a subscription made within it.

But this first plea proceeds to charge that if any subscription was made, *one bond was issued* therefor, in the sum of three hundred thousand dollars, and that the several bonds recited in the writ, *if issued at all*, were issued without the authority of law, and not in payment of the supposed subscription of three hundred thousand dollars. Now, if duplicate securities were agreed upon between the parties, and made, this would not impair the obligation of either of these securities. And if the subscriptions and bonds alleged were not made—or the Commissioners meant to tender an issue on that point, they should have put it in a direct denial. They put it in hypothetically, but issues are not formed to try hypotheses, but facts. No fact is charged here as to be capable of investigation on an issue. If it be said that the unlawfulness of the bonds in suit is the fact charged, the answer is that they are charged to be unlawful only if they were issued, which is a mode of pleading much below the rule of certainty and directness which we have seen the law requires.

2d. And the second is worse still, because totally irrelevant. The Commissioners plead on information and belief, that other bonds (amounting to the sum of two hundred thousand dollars) were subsequently issued to the railroad company without authority of law. What was this plea intended to answer? The relator says nothing about an issue of \$200,000—pretends to hold no bonds of such an issue, and asks for no judgment or action of this court in respect of it. If, in point of form, this were regarded as a sufficient tender of an issue, it would be an issue outside of the record, and therefore irrelevant and impertinent.

3d. We come now, in the third place, to the most important part of the return. Matters are herein pleaded with tolerable certainty, which suggest questions of the gravest import. The Commissioners refer to the provisions of the Act of Assembly of Feb. 24th, 1853, which forbade the bonds or certificates thereby authorized to be sold at less than the par value thereof; and then they allege that the bonds were in all cases disposed of in violation of the said condition. The amendment to this plea denies that the bonds of the relator, or any of the \$300,000 issues, were sold or transferred by the railroad company, in conformity with either the last mentioned acts, or acts of 2d and 27th March, 1855, as averred in the writ, or that any resolution was adopted by the Commissioners, as charged, to dispense with the provisions of the first of the above-named acts, and the plea goes on to charge that the bonds were sold and transferred before the passage of the last two mentioned acts, and in open disregard of the first of said acts.

The force of the facts here alleged will be appreciated when it is remembered that the act of 24th of February, 1853, in conferring authority on the Commissioners to make the subscription, appended the condition "that said bonds or certificates of loan shall not be sold at less than the par value thereof." The subsequent acts of March, 1854, modified this condition, so that the Company might sell below par, "provided that no sale shall be consummated until the Commissioners of the County which issued the bonds shall have, by resolution, determined the lowest price at which said Railroad Company may sell the same, said resolution to be recorded in the minutes of their proceedings."

Now, the relator alleges compliance with these provisions, and sets forth an extract from the minutes of the Commissioners, to the effect that on the

8th day of April, 1855, they passed resolutions reciting the above-named acts of March, 1855—the subscriptions on behalf of the county to several railroad companies, the Pittsburg and Steubenville included—and the desire of the Commissioners not to hinder or delay the work on said roads, but rather to push it forward to completion, for the purpose of strengthening their security for the semi-annual payment of interest on the certificates of stock issued by said companies to said counties—and that thereupon they resolved that the said companies “may sell any county bonds in their hands, belonging to them, and which were received in payment of subscriptions to the capital stock of said companies at not less than seventy-eight cents on the dollar.”

In this manner the relator deduces the right of himself and other bondholders to purchase the bonds at seventy-eight cents on the dollar; but all this the respondents deny. They deny the resolutions of the Commissioners, and the sale of any bonds under them, and allege that the relator, and all who with him are interested in the \$300,000 loan, got their bonds not only before the alleged action of the Commissioners, but *before the law was passed* that authorized them to reduce the price below par.

The demurrer must be taken as admitting facts so precisely pleaded. The acts of March, 1855, and the action of the County Commissioners reducing the price of the bonds, are thus put out of the case, and it must be assumed that the bonds were sold before the acts of 1855 were passed, and in violation of the condition contained in the act of 1853. Then the question which the record presents is this: Are the Commissioners of the county bound to provide for the interest of bonds only *issued* by them, but which have been *sold* by the Railroad Company for less money than they were required by law to demand for them? If they are, this plea, though sufficient in form, is immaterial in substance, and must be disregarded; if they are not, the relator has no right to a peremptory mandamus. The County of Alleghany, though not strictly a municipal corporation, because it possesses within itself no legislative powers, is nevertheless a body politic, with many corporate powers. It has a common seal—is capable of contracting—of taking and holding property real and personal, and suing and being sued.

Its corporate powers, says our Act of 15th April, 1834, shall be exercised by the County Commissioners. The building of railroads outside of the county was never germane to the purposes of the institution, nor within its general corporate powers. But the county was capable of accepting such augmentation of its powers, at the hands of the Legislature, as would enable it to assist outside railroads. Whether the Legislature might constitutionally confer such power is another question, which will be noticed hereafter; but, assuming for the present the right of the Legislature to grant them, the capacity of the county to accept and exercise them cannot be reasonably doubted. For, be it remembered, counties are creations of the Legislature, and the powers with which the creature shall be endowed must be referred to the same absolute will that brings the creature into being. If the creator does not possess powers to bestow, that is one thing; but possessing them, and they are bestowed, there is an end of the question as to the right to exercise them.

Empowered to subscribe to the capital stock of the Pittsburg and Steubenville R. R. Co., and the subscription made in accordance with the

legislative will, no contract could be more obligatory. The authorized mode of making the subscription good was by the issue of such certificates of loan or bonds as the relator holds. The respondents do not deny that the certificates or bonds were ascertained and delivered in satisfaction of the subscription. The county has got the stock, which was the consideration of the subscription. The certificates or bonds on the face of them pledge the "faith, credit, and property of the county" for the payment of both principal and interest. The pledge is absolute for the interest as for the principal. It was a public loan on the faith of the public credit. Such loans are common, not only on the part of our General and State Governments, but among all organized States of the civilized world, and there is no sentiment on which mankind are more united than the inviolability of such public pledges. And the sentiment is very sound, for repudiation of public obligations is sure to be followed by social disorders and general decay of private morals. A pledge of the public faith ranks as an imperfect obligation, because no action at law ordinarily lies to enforce it. The state or community may furnish a qualified remedy against itself, but unless it do so the contract is remediless.

Every thing beyond this must be referred to the arbitrament of the sword. But, because all ordinary remedies are lacking, the obligation is considered all the more sacred. In the revolution of governments, whatever dynasty goes up or down, the public debt remains, and is always recognized by the existing government. The strongest State of Europe is not strong enough to repudiate her debt. The weakest and most contemptible is not base enough. The State of Pennsylvania has been sorely tried at several periods of her history, but she has never tarnished her fame by entertaining for an instant the thought of repudiation. When she could not pay she has issued scrip bearing an interest that would compensate the creditor for delay—has taken effectual means for payment at the earliest period, and she has uniformly measured the extent of her obligations by the official acts of her official agents, without regard to the fidelity, the wisdom, or the prudence of those agents. Herein she has furnished an example for all her sisters of the confederacy, and for all the counties, cities, townships, and boroughs within her borders—an example worthy of universal imitation, and which no county is better able to imitate than this wealthy county of Alleghany.

The condition prescribed by the Act of 1853 was a rule to the R. R. Co. *They* were not to dispose of the county bonds at less than par, and the county might have restrained them by injunction from doing otherwise, as several counties have lately done. But she stood by in silence, and suffered them to be disposed of, without notice to the public, remonstrance to the company, or appeal to the courts.

Under these circumstances the question arises, Is she bound to provide for the interest? We unhesitatingly answer—YES, SHE IS. The bonds were marketable articles—they were made for the markets of such securities—and the county, having permitted the company to put them into the market, and still allowing them to stand before the world as genuine pledges of the faith of the county, unquestioned and as if unquestionable, it is the plainest of all dictates, whether of morals or of law, that she should provide for the accrued and accruing interest. To this extent her obligation is at present one and imperative. She cannot neglect, postpone, or

repudiate it, without stain on her good name more dark than the smoke of her industry.

Notwithstanding all this, alleged in the pleas under consideration, we hold the Commissioners bound to do what the relator calls on them to do. And we will not allow ourselves to doubt that it will be done cheerfully and effectually, without the exigency of a peremptory writ. If, however, we are mistaken in this conviction—if the Commissioners shall deliberately resolve to imperil the character of the industrious, thrifty and respectable community whom they represent, they must expect the law to exhaust its powers to bring them to a better mind. But whilst we thus overrule the third plea, we do not underrate the importance of the facts therein alleged. And we will not hesitate, in a case of so much public concern, to express ourselves freely in respect to them, without intending, however, to commit the judgment of the Court on any future question that may arise. We regard the allegations in that plea, if susceptible of proof, as possible ground for an equitable defalcation on behalf of the county against the principal of the debt.

Let us contemplate them a little in this aspect. The stipulation that the bonds should be sold at par was not unreasonable. It was a becoming expression of confidence in the faith and ability of the county, and was calculated to repress those scandalous speculations of stockjobbers which are a disgrace to our generation, and which have ruined many a meritorious enterprise. The county had a right to contract that condition. She plighted her faith on no other. She did not say she would pay the bonds, whatever they sold at, but if they were transferred before the 8th of April, 1855, her language was that she would pay them if the purchaser paid the company their par value. If transferred after that date, her language was that she would pay them if the company received from the purchaser seventy-eight cents in the dollar. Such was the contract, and nothing more can be made of it. And every holder and receiver of the bonds *had notice*, at least of the first condition, for there, on the face of the bond, it was plainly said it was "given in pursuance of the Act of Assembly of 24th April, 1853." That Act was a public law, of which brokers and their customers were bound to take notice, as well as other people. In the bond there was express reference to the Act, and in the Act the same condition was expressed in unmistakable English.

The object of the Legislature and of the county, was to promote the building of a railroad down the valley of the Ohio, which should remedy the inconveniences that droughts and frosts occasion to river navigation, and open a steady outlet for the immense productions of the county to the great markets of the South West. It was not a scheme of madness or folly, but a rational conception, and worthy of the helping hand which the county proposed to lend it. Speculators should have taken notice of these things, and should have heeded the Legislative guards which were thrown around the undertaking.

Suppose a father willing to help his son in business lends him his credit, in any form of paper that is not strictly negotiable, but stipulates on the face of it that the son shall not sell it at less than par, and then stands by and sees him sell it at a ruinous discount without objection. Is there any doubt that, in courts of law, the father would be held to pay the paper, principal and interest, according to its tenor? But suppose the father

should go into a court of equity, and show the violation of the condition under which he contracted, and offer to pay or renew his paper for the actual amount the son had received, would not a chancellor hear him?

This is a question which we are not to decide now, for it is not raised. Perhaps it never will be. But should the County Commissioners arouse themselves from unworthy dreams of repudiation, and bring the railroad company and holders of these bonds to an account in a court of equity, and establish the fact that the bonds were disposed of for less money than the law enjoined, it would be a subject of very serious consideration whether the county ought to be required to provide for them, or pay, *beyond the sums actually received* by the railroad company. Why should she? In seeking equity she would be obliged to do equity, but would it not be equitable to have her obligations cancelled upon restoring to the unlawful purchaser the money he had paid? What more could such a purchaser in good conscience claim? May he compel the county, against the tenor of her bond, to pay for that which neither she nor her beneficiary received? On what principle? The negotiability of the bonds? They are not negotiable instruments, within the law merchant. The seal spoils that plea. Nor did we treat them as such, in *Carr vs. LeFevre*, 3d Casey, 413. The bonds in that case were not county bonds, but bonds of a private corporation, and the point ruled was that, when payable to a bearer, they passed by delivery and carried with them the right of action in the name of the receiver. But no principle or decision, that I am aware of, would necessarily exclude an equitable defence to such a debt as this—especially if the purchaser is affected by circumstances of notice.

Or will it be said, that having enforced payment of the *interest*, the *principal* must be enforced of course? As well might it be argued that the law having adjudged the right, equity is incapable of restraining or modifying the remedy—a thing which it is the frequent office of equity to do. To restrain proceedings at law is one of the largest heads of equity jurisprudence.

The relator, standing in a court of strict law, demands the interest that is nominated in his bond. However he acquired his bonds, he is the "bearer," and as such has a right to demand the interest. The Commissioners tender an equitable defence, but we tell them *this is not the time or place to bring it forward*. As long as they leave the body of the securities outstanding and unquestioned, they are incapable of making the defence upon the incidents. Equity, even, would not deal with such a defence, where the suit was only for interest. Much less the law. But let the whole case be brought into equity, and it may be found that *evenhanded justice will require the county to make a new security for the sums actually received* by the company, payable in 1885, with semi-annual interest, and the holders of the bonds to surrender their bonds for cancellation on receiving that new security. Whatever interest is paid meanwhile, will easily admit of equitable adjustment, when the final account comes. If this foreshadowing of a possible remedy lead to action on the part of the county, she will not be at any loss for parties to sue, for the railroad company is at hand, and every owner of bonds will become known, as his semi-annual interest is paid at the county treasury. But, if the county means to take no effectual action for her relief—if she will drive her creditors to sheer law, by refusing all performance of her promises, she must be judged by the law. Upon the law the defence proposed cannot be sustained.

4th. Having said so much (not too much, we hope, under the peculiar circumstances of the case) upon the main branch of the defence, it will not require many words to dispose of the fourth and all the remaining pleas. The fourth plea is a sort of conjectural interrogatory as to whether the relator is a bona fide holder of the bonds he claims. This title is not exactly denied or admitted, but we are asked to put him to the proof of it. We cannot do it on so uncertain and equivocal a plea. He alleges positively that he is the owner, and until it is positively denied, he cannot be required to prove his title.

5th. The *debt* is denied in the fifth plea, which, considering that the execution of the bonds is not denied, must be taken as an argumentative inference from all that has been previously alleged. *Non est factum*, or its equivalent, would have been the appropriate mode of putting in issue the creation of the debt. If the plea means that the debt, having once existed, is extinguished by the circumstances alleged, that is an argument and not a plea, and as such is condemned by the rule of pleading to which I have heretofore adverted. The remainder of this plea, which alleges a specific remedy at law, is sufficiently answered by what was said in defining the position and rights of the relator.

6th. The sixth plea alleges the corruption of the Grand Jury and the County Commissioners, in making the alleged subscription, but in terms quite too general and indefinite for so grave a charge. This plea was not pressed in the argument, but we are happy to hear the counsel on the part of the relator explain, without contradiction, that the sums of money referred to in this plea, were paid for clerical services, and other necessary expenses in preparing county bonds for issue—not only those in question, but others also.

Finally, it is insisted that the Act of Assembly authorizing the subscription is unconstitutional and void. I do not mean to discuss this question. That was done in Sharpless's case. Several changes have taken place in the membership of this court since that case was decided, but at no time since could a different judgment have been obtained. The Acts of Assembly on this subject have never been regarded as wise and wholesome legislation by any member of the bench, but it must be remembered that a great deal of vicious legislation may be had within the boundaries of the constitution. The constitutional powers of the legislature are not necessarily as limited as its wisdom. The courts often find themselves unable to set aside Acts of Assembly on constitutional grounds, which they would be glad to repeal if they had a constitutional veto.

The precedents for this species of legislation are so numerous, the rights and interests vested on the faith of it so great, and the reasons in support of its constitutionality so clearly stated in the case referred to, that we do not feel called on, nor indeed at liberty, to enter anew into the investigation. Especially is it unnecessary to do so, when the people of Pennsylvania, who make our constitutions, have sanctioned the judgment in Sharpless's case by so amending the constitution as to forbid such legislation in future. The question should be considered at rest. We cannot agree with counsel that, because it is a constitutional question, it should be treated as always open. Where the meaning of the constitution, on a doubtful question, has been once carefully considered and judicially decided, the instrument is to be received in that sense, and every reason is in favor of a

steady adherence to the authoritative interpretation. As the constitution stood, therefore, before the late amendments, it did not forbid such legislation as that under which the subscription in question was made.

I have thus gone, step by step, through the return, and the conclusion of the whole matter is that judgment must be entered, on the demurrer, for the relator.

And now, to wit, Nov. 11th, 1858, this cause came on for hearing and was fully argued by counsel, whereupon the Court after due consideration, do order and adjudge that judgment be entered upon the demurrer for the relator, and that the respondents, Commissioners of the county of Alleghany, be and they are hereby commanded, *at their next annual meeting* for estimating the probable expenses of said county, to make full and ample provision in their estimates for raising money to pay the interest on three hundred thousand dollars of certificates of loan or bonds in the aforesaid complaint of the relator, mentioned and referred to, which shall at the time be due and unpaid, and that which shall become due thereon in the year next ensuing such meeting of the said County Commissioners; and to issue their proper warrants to the collectors of county rates and levies of the said county, for the collection thereof, as in and by the several Acts of Assembly in such cases made and provided they are authorized and required to do,—and that they cause to be paid, out of the Treasury of said county, the costs of this suit.

PITTSBURG BOND CASE.—Judge Lowrie delivers an opinion concurring in all the positions taken by the Court, but discusses the merits of the case on general grounds. We append some extracts:

There was not a man in Alleghany county, who has sense enough to comprehend a single principle of the case, who did not know that these things were going on. All knew that a *public* faith was to be pledged in these transactions. They knew it as a *social* and not an individual movement. They knew it was a pledge of the public taxes that was to be made; and if they made no effort to prevent it, they assented to it according to the maxim of common sense and common honesty, that silence gives assent, and which is otherwise thus expressive—he who is silent when he ought to speak, must remain silent when he wants to speak and ought not.

A principal is bound by the acts of his agent, even when he exceeds his authority, if the principal knows and does not forbid it. If one puts another in a position that gives him an apparent authority, others may trust to the appearance, though it may not truly express the real authority vested in the agent.

BANKS OF THE CITY OF NEW YORK.

Through the industry and politeness of the manager of the Clearing House, we are enabled to furnish our readers with an analysis of the bank returns of this city to the banking department at Albany for the past quarter ending September 25, 1858. These returns are required by law to be made within thirty days after the date specified by the bank superintendent; and they are severally published in the newspapers of this city. Owing to the numerous typographical errors in the advertisements, it is a

work of considerable labor in order to complete an analysis or summary for publication.

In order to make these tabular returns more interesting to those who examine carefully such statements, we now add (from the *Bankers' Magazine*) similar returns for 1851, 1852, 1853, 1854, 1855, March 1857, and June 1858. These will give our readers a reliable survey of the banking movement of this city for eight years past.

In September 1851, there were forty banks in operation in this city, with an aggregate capital of \$34,603,000, or an average of \$860,000 each. Now the number is increased to fifty-four, with an aggregate capital of \$67,734,000, or an average of over \$1,200,000 each. This, we think, is an improved feature, and, if practicable, the system would work better if there were only twenty instead of fifty-four institutions. The tabular details now annexed are worth preservation for future reference. They show conclusively that the circulation of the city banks varies but little from year to year, and that the banks may rely upon seven millions at least as outstanding for daily business purposes, in addition to seventeen millions circulation of the interior banks.

There is another feature which will strike the student of political economy and banking science, viz., that the loans bear at all times a due relation to deposits; and further, that the balances due country banks fluctuate no more than the aggregate individual deposits. Even in the revulsion of 1857, at its height, the bank balances held in this city were about fifteen millions of dollars, against twenty-two millions in March preceding, while the individual deposits were reduced seventeen millions, or from 100 to 83 millions.

As a general rule, the loans and discounts are equal in the aggregate to the capital and one-half of the individual deposits, added to the circulation and profits, viz.:

Capital and Profits,.....	\$75,000,000
Circulation,.....	7,500,000
One-half Deposits,.....	87,800,000
	<hr/>
	\$120,300,000
Loans,.....	122,274,000

Suggestions have been recently made that the general banking law be altered, so that banks shall be confined in their aggregate loans to the amount of specie held, and fifty per cent. beyond their capital, viz.:

Capital 75,000,000, add one-half,.....	\$112,500,000
Specie on hand,.....	28,000,000
	<hr/>
	\$140,500,000

But if we add stocks, bonds and mortgages, and investments in real estate, the aggregate would swell to just this sum. The principle is a sound one. In Massachusetts the banks are confined in their loans to double the amount of their capital. The suggestion as to New York would have a good effect, whereby the volume of loans would be mainly governed by the specie reserve, and if the banks lose two millions in one week, the loans should forthwith be reduced, if they were already up to the mark. We submit the annexed tables for the consideration of our readers:

LIABILITIES AND RESOURCES OF THE NEW YORK CITY BANKS, 1851-1858.

	Sept. 1, 1851.	Sept. 1, 1852.	June 11, 1853.	Sept. 29, 1853.	March 14, 1857.	June 19, 1858.	Sept. 25, 1858.
Capital,	\$34,603,100	\$86,791,750	\$44,196,793	\$48,683,750	\$59,703,583	\$67,041,182	\$67,734,755
Profits,	5,348,666	5,464,511	5,674,823	6,037,517	6,611,258	8,091,406	7,275,747
Circulation,	272,880	256,834	996,431	177,228 }	8,538,951	7,080,896	7,582,598
“ Registered,	7,103,234	8,421,830	8,087,675	7,411,128 }	227,561	448,685	402,225
Due Treasurer, State of N. Y.	221,840	187,200	213,111	527,902	70,760,939	74,378,067	75,604,637
Due Depositors,	86,957,870	49,608,800	59,078,171	58,657,480	22,888,578	28,275,873	27,161,144
Due Banks, &c.,	10,777,040	22,434,214	24,961,931	18,525,760	490,232	420,722	759,694
Miscellaneous,	241,547	332,096	971,374	974,160			
Total Liabilities,	\$95,526,177	\$123,497,235	\$144,180,309	\$141,294,875	\$169,221,102	\$185,726,331	\$186,520,800

R E S O U R C E S .

	Sept. 1851.	Sept. 1, 1852.	June 11, 1853.	Sept. 29, 1853.	March 14, 1857.	June 19, 1858.	Sept. 25, 1858.
Loans,	\$65,426,353	\$88,815,464	\$95,530,656	\$97,365,163	\$113,813,017	\$118,299,388	\$122,274,879
Real Estate,	2,397,980	2,702,410	3,457,544	4,159,030	5,254,401	5,815,368	5,941,304
Bonds and Stocks,	5,090,158	5,539,815	7,183,925	6,559,238	8,977,507	9,362,613	11,715,736
Loss and Expense Account,	392,327	404,950	433,459	518,676	335,893	559,766	505,036
Overdrafts,	42,040	41,210	63,965	66,358	74,842	51,734	49,198
Specie,	6,032,463	8,702,895	12,174,509	9,747,603	10,786,375	31,704,814	28,271,641
Cash Items,	10,900,185	11,866,284	16,388,916	16,581,856	22,968,837	13,689,788	12,584,100
Bank Notes,	1,065,842	1,195,842	2,080,214	1,379,568	1,590,406	904,804	1,116,528
Due from Banks,	4,178,879	4,228,210	6,872,121	4,919,383	5,419,824	5,338,056	4,045,577
Total Resources,	\$95,526,177	\$123,497,235	\$144,180,309	\$141,294,875	\$169,221,102	\$185,726,331	\$186,520,800

PRODUCT OF GOLD FOR 1858.

Monthly Abstract of Gold Exports from Melbourne, from 1854 to 1858.

	1851. Ounces.	1852. Ounces.	1853. Ounces.	1854. Ounces.
January.....	....	160,476	265,662	178,148
February.....	....	152,562	189,678	206,286
March.....	....	107,406	160,450	231,011
April.....	....	92,512	147,941	116,077
May.....	....	94,975	169,641	237,145
June.....	....	152,242	170,260	146,756
July.....	....	179,411	185,780	200,669
August.....	18	172,090	223,129	144,188
September.....	....	161,188	318,974	173,280
October.....	1,559	248,396	175,269	82,217
November.....	3,441	322,550	156,021	139,248
December.....	140,127	131,162	334,964	288,673
Total.....	145,146	1,974,975	2,497,723	2,144,699

	1855.	1856.	1857.	1858.
January.....	180,917	319,530	306,001	206,796
February.....	187,274	219,537	188,565	220,766
March.....	136,633	326,740	212,957	224,717
April.....	320,906	282,566	250,030	171,891
May.....	132,715	238,824	164,571	240,314
June.....	285,213	196,503	161,353	175,002
July.....	199,933	127,326	247,826	....
August.....	291,626	329,020	197,452	....
September.....	253,986	242,929	249,926	....
October.....	252,707	207,523	329,325	....
November.....	262,637	153,722	223,922	....
December.....	142,172	359,556	197,661	....
Total.....	2,576,745	3,003,811	2,729,655	1,239,489

Although this table shows a steadiness which gives promise of years of prosperity to come, it must not be forgotten that the numbers of the population have advanced with rapid strides at the same time. In 1850 the population numbered 69,000. The total now amounts to 480,000; and the steps have been as follows—the numbers being calculated for the close of each year, and the yield of gold from the shipments given in the above table:—

	1850. No.	1851. No.	1852. No.	1853. No.
Population.....	69,000	95,000	148,000	198,000
Yield of gold.....	Nil.	145,146 Oz.	1,974,975 Oz.	2,497,723 Oz.

	1854. No.	1855. No.	1856. No.	1857. No.
Population.....	373,000	320,000	351,000	457,000
Yield of gold.....	2,144,699 Oz.	2,576,745 Oz.	3,003,811 Oz.	2,729,655 Oz.

The increased numbers who have taken to gold mining as a settled pursuit, have not borne any thing like the same ratio as the increased population of the colony by the seaboard. During part of 1856, the whole of 1857, and the current year, the gold fields permanently attracted but few of the immigrants who poured into the colony. They have been spread over a larger space of country, and the majority have contributed their labor to other branches of industry. But the last census returns showed that there were 62,236 persons actually engaged in mining pursuits on the 29th of March, 1857. At the present time, the total number is not so large.

The reports from the diggings have been of an average character for some months past.

The question of the granting of leases of auriferous lands for the purpose of securing the introduction of capital to co-operate with the labor of the miner in associated enterprise, is the question of the day on the gold fields. The Government have issued their long-promised code of regulations on this subject. All leases applied for are to be classified under three heads—leases of alluvial deposit, leases of quartz-reefs, and general leases, which may embrace both of the foregoing descriptions of work, or any other quarrying or mining required to reach the auriferous deposits or quartz. Nothing is said of any limit to the extent of ground to be granted to each applicant, this, apparently, being left for future consideration; but the area of land to be included in any lease is to be set out, according to the circumstances of each case, by the mining surveyor, acting under the mining board of the district in which such land is situated.—*Melbourne Argus*. July 15, 1858.

Illinois Central Railroad.—A most important suit is pending before the United States Circuit Court, the Hon. John McLean presiding, which attracts much of the public attention. The counsel upon both sides is numerous and very able. The parties are Bates of Detroit against the Illinois Central Railroad Company, and the result involves the title to all the depot grounds and the immense freight and passenger depots and grain warehouses, worth not less than two millions of dollars. The claim of Bates is founded under a title obtained from Kinzie to the lands on which the Company have built their depots, which land was, by the action of the lake, inundated in consequence of the United States Government building a pier into the lake for harbor purposes.

The Government, after having sold it to Kinzie, and received pay therefor, sold it again to the Central Company at \$45,000. The Company claim that Kinzie's entry of the land at the Palestine office in 1831 was void, because Congress had passed a law before the entry was made, removing the place of selling to another district; and that, although a patent subsequently issued to Kinzie, and their regularity was provided for by special act of Congress, still the original entry being *void*, that the act cannot be legalized. On the contrary, it is contended by Bates that the entry of the land at Palestine was legal, although *irregular*, and that an act of Congress was competent to cure that irregularity. He also held, further, that, even if the act of entry was void, the Government, being sovereign, had the right and the power to legalize that void act of its under-officers, and thus make the original entry a legal one to all intents and purposes. The trial attracts a large number of our prominent citizens, and the court room is filled.—*Chicago Cor. Mo. Rep.*

A REPORT ON THE CURRENCY.

A Series of Weekly Meetings of friends of a Sound Currency began September 23d, 1858, in the rooms of the Mercantile Library Association, Clinton Hall, New York, JAMES GALLATIN, Esq., presiding. In addition to citizens of New York and Brooklyn, gentlemen from Boston, Salem, Louisville, Lexington, and other places, were present at one or more of the meetings. At the fifth meeting, held October 20th, a Committee was appointed to take into consideration the various suggestions that had been made, and report such measures as might be deemed advisable. That Committee reported on November 19th, by Hon. GEO. ORDYKE, their Chairman. On motion, said report was adopted and ordered to be printed, and is hereunto annexed.

MR. CHAIRMAN:—The committee appointed at a former meeting to devise a plan of Currency Reform for the consideration of this Board, beg leave to submit the following

R E P O R T :

They entered upon the task assigned them with great diffidence, but with a determination to give the subject that careful and thorough examination which its importance demands. In common with all others, they were conscious of radical defects in our monetary system, but they knew and felt that no two men agree as to the specific character of these defects, nor as to the proper means of removing them. They knew also that their own views were diverse and in some respects conflicting; insomuch that they entertained but slender hopes of bringing them into perfect accord. They have great pleasure, however, in stating, that repeated conferences and careful investigations of the points on which they differed at first, have enabled them, with almost entire unanimity, to unite in recommending the series of reforms which they are about to present.

No difference of opinion exists in any quarter as to the urgent need of reform. Our system of banking contains some inherent, deep-seated defect. It forces the currency, at irregular periods, into violent paroxysms of expansion and contraction. To-day, for instance, its volume in this city is at least twice-told what it was twelve months ago. These convulsive movements it imparts to commerce; for it is scarce speaking figuratively to say that money is the nervous fluid of commerce. It pervades the commercial world, prompts every act of exchange, and imparts to commerce everywhere the principle of activity. When it is sound, pure, and of uniform value, as it must be where it consists of the precious metals alone, it merely excites it to temperate and healthful action. But when its quality is debased and its volume enlarged by ingrafting it with paper promises in the form of bank notes and deposits, and its value thereby rendered as variable as the wind, it must necessarily exercise a most pernicious influence on the stability and prosperity of commerce, and through that on the economic and moral condition of the people. It in truth throws around commerce, when prosecuted

on a system of long credits, as ours is, all the hazards of a game of chance. No one can tell, when buying or selling on time, what will be the condition of our currency at the maturity of the contract. It may be at its extreme of expansion, or at its extreme of contraction,—the value of the dollar may grow to the value of two dollars, or it may shrink to the value of fifty cents. In the one case the seller loses, in the other he wins, just as he would do if he bet on the turn of a die. Nor are his elements for calculating the result much better; for the movements of our banking system, as at present organized, not being directly subject to the laws of trade, nor to effective legal restraints, are in truth governed by chance.

Whenever our currency is thrown into one of its paroxysms of extreme expansion, by the undue enlargement of bank loans, it literally intoxicates commerce, and drives it into all kinds of excesses. The desire of gain is stimulated to an unwonted degree, and manifests itself in over-trading, imprudent credits, reckless speculations, and numerous enterprises of questionable utility and still more questionable morality. When the curtailment of bank loans suddenly precipitates the currency to its other extreme, commerce is paralyzed, industrial processes suspended, and laborers thrown out of employment; banks and merchants are alike forced into suspensions or failures, and the whole community involved in unexpected losses and disappointments, all tending to the development of fraud, suffering, penury, and a long train of kindred evils. These effects were all witnessed in the reaction of last autumn; but their severity and duration were as nothing compared with what occurred in 1837. Those who recollect the crisis of that year will remember that the embarrassments were almost universal, and that mercantile suspensions proved to be, in most cases, absolute failures. It bankrupted States as well as individuals, both financially and morally, and gave birth to frauds and other expedients so disreputable as to stamp that chapter of our history with imperishable disgrace.

These evils are of a most serious character, it will be confessed; and they are now universally recognized as resulting from those fluctuations in the currency that are occasioned by the want of a proper restraint imposed by law on the loans and discounts of banks. They are allowed to extend their lines of discount without limit, and thus exercise a more dangerous and despotic power over the property of the community than was ever exercised by the most absolute government. By a course of reckless expansion, followed by a forced contraction, they often ruin the most prudent of merchants, tradesmen and mechanics, stripping them of the property accumulated through years of honest industry, frugality and care. Nor does our banking system afford any adequate compensation for these evils. On the contrary, it inflicts other injuries that have not yet been adverted to. It causes our commercial intercourse with other nations to be impoverishing rather than enriching; for it makes money plenty and cheap here, and thereby enhances prices at home while it does not affect them abroad; thus compelling us to buy foreign goods dear, and sell our exports cheap. Again: bank suspensions in some instances turn out to be most disastrous failures, and in all such cases, the community, as represented by billholders and depositors, must suffer, to say nothing of the still heavier losses incurred by shareholders.

Including the latter, it is believed the people of the United States have lost by broken banks and depreciated notes, during the last half century, more than two hundred millions of dollars.

So restive have some gentlemen of wealth and public spirit become, under these grievances, that they propose to combat them by private efforts, through the agency of bullion banks. These are efforts in the right direction, and are entitled to encouragement from every friend of a sound currency. If put in successful practice, the banks thus established would, at least, serve to preserve the soundness of all the money passing through their hands, and also, by force of example, exercise a salutary influence beyond their own sphere. They would thus mitigate the evils of which we all complain; but they would be powerless as instruments for successfully combating the abuses of the present system. This requires the strong arm of the law; and there have been periods in our history when even that was found scarcely adequate, so powerful is the influence wielded by class interests, when armed with great wealth.

How, then, shall we rid ourselves of these gigantic evils? Shall we abandon the system altogether, wind up the banks, and return to the currency which the framers of the Constitution intended to establish? This extreme remedy has been occasionally proposed, and sometimes even in influential quarters. Nor can it be disguised that there exists in the community a deep-seated sentiment of hostility to our whole system of banking. This sentiment is yet smothered, but it is silently widening and strengthening; and it needs but one or two more crises like that of last autumn, to bring it to open expression and resolute action. With this sentiment your committee cannot sympathize. Perhaps it would have been better, if we had never departed in practice from that reliable standard of value ordained by the Constitution; but the present system of currency has been established too long, and has blended itself too intimately with the habits and interests of our people, to permit, for a moment, the idea of its total abandonment, until every means of improving it shall have been first exhausted. Reformation, not destruction, is what the exigency demands. But, is this practical? Your committee believe it is, and they will now proceed to state the reasons on which their belief is grounded, together with the remedies they have to propose.

The first point to be settled, is the specific character of the defects we seek to remedy. This, it is believed, has been done with sufficient accuracy by the discussions that have already taken place before this association. It will only be necessary, therefore, at this time, to state them in the order of their importance, illustrate the manner in which each produces its vicious consequences, and suggest the proper remedies.

I.—OF BANK EXPANSIONS AND CONTRACTIONS—THEIR CAUSE AND THE REMEDY.

The great outstanding defect in our banking system is its undue conversion of its own credit into currency.* This transmutation or

* This ingenious device for making money was first resorted to by the Bank of England, and our system has been grounded on the same principle.

magic-like change takes place whenever a bank discounts in excess of its capital, and it takes place to the precise extent of the excess, for every dollar thus discounted becomes currency, in the form of a debt due from the bank to the community for circulating notes or deposits. If the bank give its own notes in exchange for the securities discounted, its credit is transmuted into currency in the form of circulating bank notes; if it merely inscribe a credit on its ledger to the party for whom it makes the discount, as is generally the case in our city banks, its credit becomes currency in the form of deposits in bank; and although these deposits are a pure fiction, having no tangible existence anywhere, for neither the bank nor the depositor really possesses them, they, nevertheless, perform the office of money just as effectually as coin or bank notes held in actual possession. In truth, these ideal deposits, these inscriptions of credit on bank ledgers, which are placed there in exchange for the securities discounted, and which represent nothing but those securities and the credit of the banks, are the chief reliance of our commerce in effecting the purchase of property and the payment of debts. They constitute, at the present time, five-sixths of the active currency of this city.

The law confers upon banks this privilege of creating fictitious currency, by loaning its credit at interest, and properly so, for without it they could not exist. It constitutes their only source of profits, independent of interest on their capital, which, it is evident, might be obtained as readily and more securely, through individual efforts of the shareholders, without resorting to the expensive machinery of banking. It is not, therefore, to the moderate and prudent exercise of this privilege that your committee object. They believe it may be carried to an extent that will render banking both profitable and useful without endangering the stability of the currency, and without detriment to any other interest. But, in view of the fact just shown, that every dollar of bank credit loaned creates a dollar of active currency, it is obvious that this privilege should be exercised only within proper limits,—that it should be subjected to strict legal restraints. When subjected to no other restraint than that compounded of the strength of human cupidity and the means of gratification at its command, as is the case with our banks, we cannot be surprised at their abuse of this privilege, in pushing their discount lines, at every favoring opportunity, to an extent alike injurious to the currency and unsafe to themselves. Fifteen months ago, for example, the banks of this city extended their loans to \$122,000,000, which proved to be a dangerous degree of expansion. With the then existing amount of their capital and specie reserve, this aggregate of loans infused into our currency about \$80,000,000 of the credit element in the form of deposits and circulation, on a specie basis of \$12,000,000, or nearly seven dollars of the credit element to one dollar of coin. This enlarged the volume of currency and enhanced prices to such a degree, that it generated an adverse balance in our foreign trade much faster than we were digging gold from the bowels of California to meet it. The banks, of course, were called upon to supply the deficiency from their vaults. This demand upon a meagre reserve of coin excited apprehensions which were ripened into a panic by other untoward events, and the result was that after a struggle of a few weeks,

during which the banks contracted their loans and diminished the currency some \$25,000,000, they were compelled to close their vaults, and thus yield to a pressure occasioned by their own imprudent expansion. And it must ever be thus, unless we place a check-rein upon the banks; because there is a natural ratio of commerce and money which cannot be disturbed with impunity. Every undue expansion of the currency is sure to be punished, through the laws of trade, by a subsequent and corresponding contraction; and the greater the excess of currency in the first instance, the greater its inevitable deficiency in the second.

Seeing then that the reckless enlargements and consequent degradation of our currency, through the excessive loaning of bank credits, are of most pernicious tendency, and that neither the system itself nor the law establishing it contains any principle or provision capable of preventing these excesses, it is surely the part of wisdom to provide the needful restraint by legal limitations. But where shall we apply for relief? Shall it be at Washington, or at Albany? If we go to the General Government and say, "the establishment and maintenance of a sound currency are among the most useful prerogatives of Government; this power, it is believed, the Constitution has conferred on you, and we ask you to exercise it;" the Government will be likely to give us this response: "We agree with you that the framers of the Constitution intended to place this power in our hands, but the State Governments at once usurped it, have always exercised it, and will not yield it. You must therefore look to them. We have exercised the only power over this subject that remains with us, in excluding from our own monetary transactions every thing but gold and silver." This answer would be as forcible as it is true; and, although your committee think, as will be seen presently, that something more remains for the General Government to do, it shows conclusively that our main reliance must be upon our own Legislature. It is there that the evil originated, and it is proper that we should there ask for its removal.

But what shall be the remedy asked for? It is believed that each bank may be safely permitted to extend its loans and other investments to a point equal to once and a half its capital and its specie reserve; provided, nevertheless, that it must keep on hand at all times an amount of specie equal to twenty per cent. of its immediate liabilities other than for its circulating notes, which should not be included because otherwise secured.

If the banking laws of this State were thus amended, the difference between which our bank expansions and contractions now are, would be brought much nearer together. Their movements would be subject to more wholesome restraints, which would cause their fluctuations to gyrate in a narrower circle. They could no longer, by mixing their credit with it, to that danger, necessitate a sudden and extreme reaction. In loaning their credit to the extent of half their specie, beyond that point as they may have specie in the vault, they would have ample margin for profits. Banks judiciously managed, under such restriction would, it is believed, be able to pay a dividend of eight per cent. per annum of net profits, and be secure from the dangers of periodical

these could not occur with severity, if at all. It may be inferred by some, if the loaning of bank credit and the consequent production of fictitious currency be attended by bad consequences when carried to excess, that it must be followed by like consequences in all cases where the privilege is exercised in any degree, as it would seem to prove the principle a bad one. But this does not follow. The evils that we wish to avoid are expansions and contractions of the currency, and these result solely from the *abuse* of the privilege. If confined to the limits proposed, the volume of the currency would not be expanded at all. The moderate infusion in it of the fictitious or credit element would merely displace or drive out a like quantity of coin, leaving the aggregate the same as if it consisted of the precious metals alone. This is the precise point that it is desirable to attain. The limited privilege of loaning their credit to the extent of 50 per cent. of their capital, and as far beyond it as they have specie in their vaults, would secure to the banks remunerating profits, and to the community the superior convenience of paper money, without enlarging the volume of currency, or in any manner affecting the measure of value; for it must be noted that the restraint proposed will compel bank expansions to coincide in time and degree with the increase and diminution of coin. These ebb and flood tides in our currency would doubtless occur if it were exclusively metallic. They are necessary consequences of the principle of free competition in the production and distribution of wealth. But in that case they would be of such a moderate kind that their effects would be salutary rather than injurious, serving merely to check the natural tendency of commerce to overaction. It must be owned, however, that the limitation of bank discounts here proposed, will permit the fictitious portion of our currency to increase and diminish at the same time and in the same degree that its metallic portion increases and diminishes, thereby allowing the whole to enlarge and lessen with the same facility that it would do if exclusively metallic. This, although it may be objected by the plan, need not be apprehended, it is believed, in its working, because the issue of the fictitious currency would check the issue of coin, and, as a consequence, its own exercise would be limited, as the privilege thus limited cannot, under the proposed system, be extended to a metallic currency. Under the present system the banks generally issue paper money in which their coin augments, and when the coin has commenced leaving the banks of this city for some time, the operations of the Louisiana law, which limits the issue to 50 per cent. of their immediate specie, has restricted their loans two dollars for every dollar of specie. That restriction proved itself very effective last year; but, although more restrictive than the restrictions here proposed, because it is, notwithstanding, a less effective restraint, it permits them to increase their currency in proportion to the increase of coin, while these would limit the issue of coin. The plan proposed is upon the maximum of discounts, and the issue of coin would be limited to the minimum of specie

compared with immediate liabilities, other than for circulating notes. The latter are not included because they are already secured by a deposit of stocks with the Bank Department, and it would seem to be unjust, so long as these are required, to demand the additional pledge of specie. Your committee have not deemed it necessary or expedient to place this minimum so high as does the laws of Louisiana, because the limitation of discounts effects the main object much better, and a due regard to bank profits seems to forbid it; for our banks have not the opportunity of profitable operations in exchange enjoyed by those of Louisiana. Besides, it is not deemed wise to confine the bank movements within limits so narrow as to endanger their suspension at every adverse reaction. The object of requiring a minimum of specie at all, is not so much to check the discounts, since that will be much better done by the direct limitation proposed, as to secure a larger reservoir of coin to meet the requirements of crises and other unexpected demands. A legal minimum of 20 per cent. will, it is believed, give a practical minimum of not less than 25 to 30 per cent., for no prudent bank will voluntarily occupy a position on the verge of legal death; and some will be compelled to keep even more than 30 per cent., to meet the contingencies to which they are liable from heavy and fluctuating deposits.

It is believed that this restriction would prevent the specie reserve of the banks of this city from falling at any time below \$25,000,000. It would probably range from 25 millions to 50 millions. This is quite low enough,—much less, in fact, than any other city of equal commerce is satisfied with; as witness London and Paris, each with its \$100,000,000. It is to be hoped that this city, now ranking second in commercial importance, and, if true to herself, ere long to occupy the commanding position of the world's centre of commerce and exchanges, will not again be liable to the reproach of letting her currency rest on the pitiful basis of ten millions of coin.

Your committee would also recommend, as an amendment to the general banking law of this State, that hereafter every bank organized under the act passed April 18, 1838, and the subsequent amendments thereof, shall, before it makes any loans or discounts, have all its capital actually paid up in specie, which payment shall be proved on oath to the satisfaction of the superintendent of the banking department; and that all banks now organized, or hereafter to be organized, shall be prohibited from making, either directly or indirectly, any loans or discounts upon pledge of their capital stock or any part thereof.

These additional safeguards are deemed necessary as a means of preventing the needy and the designing from assuming the disguise of banking for the purpose of borrowing money instead of lending it.

The committee believe that the few and simple alterations they have now recommended in the banking laws of this State, would go far, very far, towards giving our currency those characteristics of soundness and stability which appertain to a metallic currency. They would effectually prevent those violent fluctuations in its volume which are attended with such disastrous consequences to every interest. And in preventing them here, at the commercial and financial centre of the United States, we prevent them everywhere throughout the limits of our banking system;

for New York being commercially a creditor city to every other section of the country, the banks elsewhere *will* expand and *must* contract in unison with those of this city. The steps in the process are these: When the banks here enlarge their discounts, it first makes them debtors to the banks of neighboring cities. The last named banks, finding exchanges in their favor, either at once begin to enlarge their discounts also, or, if short of specie, first fortify themselves by demanding payment of the differences in their favor in coin, and on that increase their loans. Next the banks in the interior and in distant States, everywhere, in fact, to our remotest limits, feel the expansive wave, and promptly embrace the opportunity of riding upon its crest, for they are all ambitious of large dividends. And thus a bank expansion here never fails to send its bloated pulsations through our whole banking system. Therefore, if the commercial position of New York has given her this power of control over the bank movements throughout the Union, she owes it to her sister States as well as to herself, to so exercise it as to preserve the soundness and stability of the currency.

Your committee have tested, theoretically, the effect of the proposed restrictions on the present status of the banks of this city. They find that while the more conservative are within the required limits, there are others that are considerably beyond them; and hence, that their enforcement at this time would compel an aggregate curtailment in the discounts of some four or five millions. But the great benefit to be derived from their adoption will be in restraining future movements. Even now their salutary influence is needed to check the present strong tendency to enlarged discounts with a steadily diminishing reserve of coin. Unless this tendency be promptly arrested, it will be certain to sow the seeds of serious future mischief.

But while your committee believe that this is the great measure of reform demanded by existing defects in our banking system, and that which is best calculated to give the required relief, they have auxiliary measures to recommend which they deem of great value. Among them is

II.—THE REPEAL OF THE USURY LAWS.

It was reserved for the present century to witness a complete revolution in the laws of civilized communities relative to the interest of money. Usury laws have now been repealed in nearly all the leading nations of Christendom. It had been the policy of governments, from the earliest ages, either to prohibit interest altogether, or to limit its rate. Money was made the object of special laws as to the rate of hire which should be given for its use, while in the case of other descriptions of property, no law was deemed requisite but that which naturally arises from the influence of supply and demand. No one questioned the propriety of rent, pay, or hire for the use of houses, lands or other property. Money, the measure by which the transfers of these is now regulated, was held to be something different, of a peculiar and mysterious character. Education, scientific research, the diffusion of knowledge and alterations in the condition of society and the uses of money, have introduced new views of money. Or, it may be said, the uses of money are, in modern times

different from what they were in previous ages. No man borrows money to hoard it. It is borrowed for use. What the borrower needs, is the money's worth, or its services. He invests for profit, or to anticipate income. He improves the "talent," or money, according to his judgment, and he returns it, as he would surrender hired houses or lands, paying rent or interest to the owner or lender. Rent, interest or hire, paid for the use of property, varies with the nature of the property, the character of the transaction or occupation, the system of government, the customs of society—and even the climate of a country has an indirect influence. Profits may be greater or less in one case than in another: one person may be more skilful in his calling or business than another. In the case of money or property invested in a ship at sea, there may be greater danger of loss than in the case of an investment in land, or a loan upon a well cultivated farm. To say in the present condition of society that the rate of interest or compensation for the use of property should be the same in every case, at all times and in all places, is as absurd as to assert that two things wholly different are one and the same. Laws enacted to enforce this absurdity were evaded. Governments that fostered usury laws found that men either set at defiance or disregarded with impunity the penalties which these laws imposed. Such defiance of law was urged as an argument in favor of their repeal, on the ground that systematic or general violation of law, by successful evasion of its penalties, exerted a demoralizing influence and fostered a contempt for all law. But laws should find their support in their own inherent justice. Being just, the whole moral force of the community is united in their support. It is because usury laws are unjust and impolitic that they have been repealed by enlightened commercial nations. It is for these reasons that we also should repeal them. One of our most profound Political Economists having examined and discussed the operation of these laws in their various relationships—moral, social, economical, and political—remarks, "that the usury laws so far as they operate, have a tendency to check that salutary division of labor so essential to the prosperity of every community—to throw a clog on the great wheel of commerce." And as to agriculture, his condemnation of these laws, he asserts, "is in perfect harmony with that interest." The Farmer, no less than the Mechanic, the Manufacturer and the Merchant, suffers from the usury laws. The unrestricted use of money accelerates, while usury laws retard, the progressive development and general diffusion of wealth in a community, a state or a nation.

It has been remarked by Ricardo, that the true rate of interest depends altogether upon "the rate of profits which can be made by the employment of capital." If it be fixed at a certain rate by law, in seasons of pressure for money the banks are unable to deal directly with those who are really in want of money, because the persons who hold money in banks, or who have superior influence with the banks, immediately on the first appearance of pressure get possession of all the money in the market, and lend it out, at second hand, for much higher rates than the law permits the banks to take. At such times, no matter how deserving a man may be, however beneficial his occupation to society, if a peculiar turn in his affairs should require the temporary aid of a little money, the banks can afford him no relief, and, consequently,

to him the idea of a bank becomes that of a mockery or a snare. He is bewildered. He finds money plenty outside of bank, for which he is compelled to pay an enormous bonus above the market rate, and if he will not consent to the too often exorbitant demand, he must contemplate, as an alternative, the destruction of his business, and with it, probably, the ruin of a whole neighborhood, which had become prosperous through his energetic pursuit of some laudable occupation, tending to foster industrial development and the true independence of his country. In this way, our usury laws defeat those just and salutary benefits which our people have a right to look for, and to calculate upon finding in the business of banking as it should be conducted. Instead of such benefits, they find that in the hour of their greatest need, the usury laws convert our banking systems into engines of oppression, transforming a slight pressure for money into a severe revulsion, or a violent panic, by prohibiting, through their operation, all direct intercourse between the real lenders of money and the real borrowers of it. We had a fearful illustration of the truth of these observations in the crisis of last year, when a fictitious monetary demand of a most extraordinary character, transformed a severe pressure into an unreasoning panic.

If the rate of interest were not trammelled by legal restraints, it would become to every man having use for money, either as borrower or lender, what the barometer is to the mariner, a guide by which to regulate his occupation, telling him when to spread or take in sail, when to contract or expand. By watching the rise and fall in the rate of interest, every man engaged in active business would be enabled to gain a correct knowledge of the course of the money market, a knowledge which is now possessed exclusively by a few of the shrewdest of our bank managers.

Whatever arguments have been used heretofore in favor of our own usury laws, have now been set aside by the experience which we have had, of the folly of attempting to maintain these laws when the leading commercial populations, with which we hold the most intimate financial relationships, have thrown them aside, and entered into free competition for the money of the world. Among the phenomena of the late revulsion, there was an evidence of the dangers which menace us, financially, so long as our usury laws continue in force. When the great powers of Europe engaged in war, the rate of interest began to increase, and in the liquidation of the expenses of that war it arose to a very high rate. Every influence which could draw money from other countries was put into operation. New York being the principal point on this continent at which capital centres, became exposed for a long period, even after the war had terminated, to a system of depletion which taxed the financial resources of the whole country, and which finally precipitated, to some extent, the impending collapse. Our Government stocks held in Europe were sent home for redemption or sale, and the money thus obtained was taken away from us in coin to earn the high rates of interest offered in those countries of Europe which had repealed the usury laws. State stocks and other securities were returned upon us in large amounts, and sold, and the proceeds went to swell the great current of specie that flowed from this port to Europe. Is it strange or wonderful that we at last found ourselves prostrate and our energies paralyzed?

It cannot be denied that we had lived extravagantly and speculated wildly. But whatever may have been our errors as individuals, it is demonstrable, from recent occurrences, that our financial system would have proved itself much stronger had we not been chained to usury laws, by mistaken legislation, throughout that period of European competition for money which preceded the revulsion. Admit that certain rates of interest were quoted as high here as those prevalent in London, Paris, Hamburg and Amsterdam, or higher; yet it must be remembered that these rates were exceptional, were contrary to law, and prevailed only to a limited extent, principally among those who knew how to evade the usury laws. European capitalists would not incur the penalties of those laws by engaging in these monetary transactions, or they preferred to withdraw their capital to points with which they were more intimately connected, where usury laws did not prevail, and where they could obtain as high a rate of interest without risk of forfeiting their capital by taking more than six or seven per cent.

Experience having thus demonstrated that, as in Europe they are unshackled by usury laws, we are exposed in great emergencies to sudden and powerful drafts upon our capital, one of the principal means for our safety in the future is to be found in the repeal of these laws. We can then check to a certain extent any excessive European demand by a lawful exercise of the right to place our money markets upon an equality with those of the rest of the world as regards the hire of money. We shall then have the satisfaction of knowing *we can* have money lawfully at *some price* or rate, and will not be called upon to suspend all our great industrial occupations and enterprises.

Nothing can be more absurd than our present position, as an intelligent people, living under usury laws which forbid our giving or taking more than a certain fixed rate for money, while in nearly all the great European marts with which we are in daily correspondence, and hold intimate business relationships, the people are free to pay or take whatever rate they please. But we must submit to the loss of our capital, so long as our usury laws exist, whenever Europe pleases to bid higher for money than these laws permit us to give; and the United States will continue to be used as a great reservoir for money, to be drained at pleasure by the governments and people of other nations.

So far as our own State is concerned, therefore, we would recommend the immediate and unconditional repeal of the usury laws. Other States will soon discover, in the flow of capital to this State, the necessity of following our example, and thus these enactments, a remnant of the dark ages, will disappear from the statute books of the whole Union.

III. SUPPRESSION OF SMALL NOTES.

Among the measures proposed for securing a more uniform and reliable currency, that of suppressing or prohibiting small notes has frequently occupied public attention. Excessive issues of small notes are fraught with evil, and the natural tendency of the power to issue them is always to run into excess, thus driving coin out of use; and too often the loss on such notes falls most heavily upon that portion of the com-

munity least able to bear it. To deprive the laborer of his hire, by means of paper money liable to sudden depreciation, is a crime. All our governments, National and State, have been appealed to against these paper issues. Some of the States have prohibited notes under five dollars, but so far there has been no disposition manifested to make the prohibition general throughout the Union. As early as 1830, a distinguished statesman and financier, Mr. Gallatin, who had been for many years Secretary of the Treasury, wrote in favor of suppressing notes under ten dollars. He remarked: "Congress has power to lay stamp duties on notes, on bank notes, and on any description of notes. That power has already been exercised." Senator Rives, of Virginia, proposed such a measure nearly a quarter of a century ago. The late Col. Benton, of Missouri, introduced a bill in Congress, in 1855, proposing a tax "of forty cents on all (each) notes under five dollars, of twenty cents on all under ten dollars, and of ten cents on all under twenty dollars," with a view of suppressing their circulation, infractions of the bill being punishable as a penal offence. The late Secretary of the Treasury, Mr. Guthrie, brought the subject before Congress repeatedly, as he remarked, "under the hope that Congress, or the States authorizing their issue, would take action to extend the restriction and make it general." He urged the suppression of small notes because of "the losses which a failure to redeem them on demand always inflicts upon labor," and also because of the deleterious influence which they exert upon the currency. The present Secretary of the Treasury said in his report of last year: "As an additional restraint upon the tendency of the banks to over issue, as well for the purpose of keeping an ample supply of specie in constant circulation, the suppression of all bank notes under the denomination of twenty dollars is recommended to the consideration of those under whose jurisdiction these State institutions exist."

Experience demonstrates that coined money is driven out of the country by excessive issues of paper money, and in the absence of any effort by the General Government to control and regulate paper money, this must continue to be the case; and to assert that the coining of money, and the regulation of money provided for by the Constitution, apply to money for the use of the Government only, and not also for the convenience and protection of the people of the whole Union, is so contrary to reason as scarcely to require comment. Money made of paper is as powerful in its influence upon all interests as money made of gold and silver, and the regulation of money, the measure of value, belongs exclusively to the highest authority in every nation. If the General Government has no power to regulate paper money, then the power conferred upon it by the Constitution of making gold and silver money, if only for the convenience of Government, has been, and may again be, rendered impotent, since most of the States have assumed the right to sanction the making of paper money, the excessive issues of which drive out of the hands of the people and out of the country, the coined money issued by the General Government; and in the universal prostration of industry, trade and commerce, resulting from these excessive issues of paper money, Government itself is paralyzed, and forced in a time of profound peace to borrow large sums of money to meet current expenses.

Your committee entertain the opinion that the General Government

possesses full power over the currency, and it was principally because Congress did not exercise the power of regulating and restraining the currencies issued under the authority of the several States, that resort was twice had to the expedient of a National Bank.

The experience of the past year has shown the impossibility of attaining the object through the action of the Sub-Treasury, and results from the immense disproportion between the mass of payments for the ordinary and current business of the country, and those which are effected by the General Government. The action of Government does not extend beyond its receipts and disbursements; all it can do, is to accumulate an amount of specie equal to the public funds; establishing a separate metallic currency for the Government, compelling importers and purchasers of public lands to pay in specie, and paying its creditors in the same currency. It has had no control over the general currency of the whole country. It has not been able to prevent a general suspension of specie payments. It is, therefore, self-evident that something more is required of the General Government: something that is practicable, in harmony with the spirit of the Constitution, and in accordance with the great interests of the people of all occupations in every section of the Union.

Two measures of relief within the power of the General Government, deemed to be wholly practicable, have been presented for the consideration of your committee: first, the suppression of small notes under ten dollars; second, the opening of the Treasury offices throughout the Union, for receiving coin in sums of not less than one hundred dollars, in exchange for certificates of deposit. The first we have already discussed, and we earnestly recommend the suppression of all bank notes under ten dollars, by means of a law, similar to the bill presented in Congress by the late Col. Benton.

IV.—GOLD DEPOSIT SYSTEM.

Although the Independent Treasury has failed to regulate the currency, some good has been achieved by the establishment of that system. The employment of the precious metals by Government, simultaneously with an augmentation of gold from recent discoveries, has produced that increase of the metallic basis, observable in all the States; and material assistance has, on more than one occasion, been rendered to the public by a timely disbursement of the coin accumulated in the Treasury. Had those surplus revenues, which lately arose from excess of income over expenditure, been retained by Government, the consequences would have been an earlier, and perhaps, more disastrous revulsion, and greater popular excitement, than prevailed in the panic last year. Government was greatly strengthened by the consciousness of the public, that it had exerted all its power, as far as the limited influence of the Sub-Treasury system extended, to mitigate the severity of the crisis.

Experience has shown that public money accumulated in the Treasury cannot long remain unexpended, and it should not, for it takes so much from the active and bona fide capital of the country, and Congress is therefore impelled, by principles of sound policy, to disburse it in

cancelling debt, or in enlarged expenditures for useful purposes, if not by distributing it among the States. Hence, it naturally occurs that when a revulsion sweeps over the country, the reserve in the Treasury soon runs down to a minimum—duties from imports, and revenue from sales of land, fall off, and new debts are incurred. It being apparent, therefore, that accumulations of coin in the Treasury on Government account cannot be retained to any considerable amount, nor to an extent sufficient to form the basis of a circulating medium for more than a small fraction of the business of the people, it has been suggested that if the Treasury were opened to private deposits of coin, in exchange for certificates of not less than one hundred dollars each, the offices of the Treasury throughout the Union would become storehouses of money for the people, and thus secure an increase in the reserve of coin commensurate with the wants of business, so as to check, in some degree, the tendency to ruinous paper inflations. The Government certificates, representing coin in the Treasury owned by the people—the faith of the United States being solemnly pledged to retain the coin for the payment of the certificates on demand, and for no other purpose whatever—would also, it has been urged, greatly facilitate the transmission of money through our wide-extended territory; and, being receivable at par by Government in payment of debts at any of the revenue offices, although payable in coin only at the place where issued, they would become a universal medium of circulation, “such as commerce and trade, no less than industry and capital, would find convenient and acceptable.” This system is already in operation, indirectly, to a limited extent, in the use which is made, as a medium of exchange, of the drafts drawn on the Assistant Treasurers and Depositaries, as well as in the use that is made of certificates for bullion deposited for coinage at the Mint, Branch Mints and Assay Offices. These drafts and certificates are accepted as money; they are used and circulated as money, and the drafts are sometimes kept in circulation for years before they are presented for payment. The proposition, therefore, to authorize the opening of the Treasury to private deposits is demonstrated to be a measure which the people require, and which would be made available to a considerable extent in establishing a more uniform and reliable currency.

For fear that we may be misunderstood we will state, that we are opposed to all issues of paper money by the Government; that we would consider such an issue, of paper money, as one of the greatest calamities that could be inflicted upon the country—it would only be a mode of borrowing money; it would not control the issues of the banks, and would not aid in the least the establishment of a sound currency. The measure suggested by us is, that the General Government should receive on *special deposit* from the people, gold; give a receipt for it, and return it to the depositors, or their representatives or assigns, on surrender of said receipt. By this means every possessor of gold coin can put the same immediately into circulation: that is to say, while the gold coin remains deposited with the Government, the public will have as fully the use of it as if it were actually passing from one person to another, by an active circulation; and thus not only furnish a supply of coin, available in case of need, but also a means for remittances through the United States.

That the power "to coin money" and "regulate the value thereof," derived from the Constitution, confers upon Congress the right to control paper money, the most liable to abuse of any description of money is proved by the debates in the Constitutional Convention, and in the writings of all the early authorities; and to permit deposits of coin in the Treasury, as a means of regulating the currency, is only to exercise an attribute of the power to coin money, since the coin, being at rest and saved from wear, is represented by the certificate circulated in its stead; and it being impossible to transact our vast internal commerce and trade without the use of paper money, the Government, in issuing such money based upon and representing coin, only carries out the power that has been conferred upon it by the Constitution.

Your committee are unable to discern any serious objection to this measure, and we therefore propose it, and recommend its adoption, the deposits to be in sums of not less than one hundred dollars each.

The two measures which we have proposed for the action of the General Government, if adopted, will most assuredly increase our metallic basis, and operate as powerful correctives to an undue expansion of paper money. And we confidently trust that our leading Statesmen, forgetting political animosities, will unite in a patriotic effort to remedy evils that are sapping the foundations of the greatness of our beloved country.

V.

To recapitulate the measures recommended. They are:

First. That the banking laws of this State be so amended that no bank shall hereafter be permitted to extend its loans, discounts, and other investments, beyond an amount equal to the sum of its capital, half its capital, and the specie in its vaults; nor shall it be permitted to let its specie at any time fall below 20 per cent. of its immediate liabilities, exclusive of its circulating notes. That banks hereafter to be organized under the banking laws of this State, also be required, before commencing business, to have their entire capital paid up in full in specie; and that all banks be hereafter prohibited from making loans, either directly or indirectly, on their own stock.

Second. That all laws against usury be repealed.

Third. That the circulation of all bank notes of a less denomination than ten dollars be suppressed, by means of a tax or stamp duty to be levied by Congress.

Fourth. That the Government of the United States, through its different treasuries, receive gold from the people, and issue receipts or certificates of deposit therefor, in sums of not less than one hundred dollars.

These four measures constitute the system of reform your committee venture to recommend. They have pointed out the necessity and propriety of each under the proper heads. They may here add their belief that the adoption of the entire series would be likely to so elevate the character of our currency as to make it the best extant, instead of being about the worst as it now unquestionably is. It would render our currency better than that of Great Britain, because the restraints

which she has placed upon her banks do not embrace deposits. Sir Robert Peel's bill has made this fatal omission, and is thus rendered of little practical value. Its limitation of the movements of the Bank of England applies only to the circulation, requiring all that is issued in excess of £14,000,000 to represent an equal amount of coin in its vaults; but leaving it and all other banks in the United Kingdom, including the private bankers and discount houses, free to transmute debt into currency, by loaning their credit, to whatever extent their inclination and ability may dictate. They had abused this privilege, prior to the crisis of last year, to a much greater extent than even our own Banks. In other words, their currency was much more inflated than ours. This assertion will surprise many, but it is, nevertheless, strictly true. And had not the Government wisely come forward and authorized the bank to violate its charter, by increasing its issues regardless of the specie in its vaults, and thus breaking the force of the reaction and panic before they reached their culminating point, as they were permitted to do here, the whole debtor class in that kingdom would have been involved in hopeless bankruptcy. As it was, they suffered more than we did. There were, perhaps, less of suspended debts there, but vastly more of actual insolvency.

The banking system of France is liable to the same objection. Its discounts are not subject to any legal restraints whatever, nor is its circulation as well guarded as that of the Bank of England. But the commerce of that nation was less seriously affected by the crisis than was that of Great Britain or the United States, because it is prosecuted on the principle of cash payments or very short credits.

But to return to the measures of reform here recommended. Why should they not be adopted, and moulded into laws? Sound views of public policy, and a due regard for the general welfare, alike demand it. From what quarter may we anticipate objections? Surely not from any well-managed bank, for the proposed measures will not lessen its average profits, while they will add greatly to the security of its business. And if well grounded objections cannot come from this quarter, they cannot come at all, for their adoption would greatly benefit every other interest.

GEORGE OPDYKE,
WILSON G. HUNT,
JAMES GALLATIN,
JOHN EADIE.

NEW YORK, November 19, 1858.

CUBA.—The "*Caja Commercial de la Isla de Cuba*," one of the joint Stock Banks that twelve months since so suddenly were ushered into existence, has been dissolved by edict of the Captain-General. Sixty-five per cent. of its entire capital has been sunk or lost. Ought not this fact to serve as a lesson to others not to attempt the management of any business of which they possessed no previous knowledge, and for which they were not fitted by either habit or education?

MISCELLANEOUS ITEMS.

Will of a Banker.—The will of the late Eliphalet Greely, Esq., of Portland, Maine, bequeathes to his native town, Cumberland, the sum of \$28,000 for the following purposes: \$20,000 to be funded, and the interest thereon to be appropriated to the support of an institution in the town of Cumberland, for the instruction of youth of both sexes; \$6,000 for the erection of a suitable building for that purpose, to be built in modern style, either of brick or stone; \$1,000 for the purchase of philosophical apparatus for the institution; \$500 for a library for same, and \$500 to pay the architect for the plans of the building. The will specifies, in some particulars, how the seminary shall be conducted.

New Counterfeits.—Another exceedingly dangerous counterfeit on the State Bank of Ohio has been discovered, which has undoubtedly had an extensive circulation. Last week a twenty dollar bill on the Ripley branch was suspected by a teller of one of the Banks in Third street, but after a close comparison, and a strict scrutiny by the most reliable judges, there was a difference of opinion as to its character. The majority, however, decided that it was genuine. In order to test the matter fully, Messrs. Johnson & Brother forwarded the bill to the cashier of the Ripley branch, and to-day an answer was received pronouncing it a counterfeit, no notes of the date and number of the counterfeit having been issued by the Bank. Engravers are of the opinion that the impression must have been taken, in part at least, from genuine engravings, so perfect is the engraving. There is no mark by which the counterfeit can be distinguished from the genuine, and as the former have undoubtedly been changed in the filling up so as to represent the several branches, the only safe plan is to refuse all notes of the denomination of \$20 on the State Bank of Ohio. The counterfeit is not a new one, and some of our bankers are of the opinion that the spurious notes have been received and paid out by the Banks themselves, for some time, and that a large proportion of \$20's now in circulation are counterfeit.—*Cincinnati Gazette.*

Daring Bank Robbery—\$10,000 Stolen.—One of the most daring as well as extensive robberies which ever took place in this city, was perpetrated on Thursday night. The Banking House of Messrs. Brown & Keep, on the corner of Main and Swan streets, was entered by the door leading to the back staircase from Swan street, and the safe robbed of over \$10,000 in bills of various descriptions. After effecting an entrance, the burglars proceeded to the bedroom of Mr. Allen, the Teller, and Mr. Burns, one of the clerks of the bank, which is adjoining the office which they entered by means of false keys, and having thoroughly stupefied these gentlemen by means of chloroform, they possessed themselves of the keys of the safe, and proceeded to help themselves. The following is a partial description of the money taken; \$3,000 on the Bank of Tiverton; \$3,000 in bills of all denominations on Canada banks; \$2,000 on the Bank of Orleans; \$1,300 in tens and fives on the Mercantile Bank of Hartford; \$900 in bills of various descriptions on New York State Banks. A portion of this money was somewhat depreciated, but the total loss will exceed \$9,000. Fortunately, a bag containing \$2,000 in gold, in another department of the safe, was entirely overlooked by the rascals in their haste. As it was, they succeeded in getting off with the bills, leaving their chloroform bottle in the bedroom where the young men were sleeping, and one of their burglarious instruments near the door through which they effected an entrance. The young men were considerably under the influence of chloroform this morning, when they awoke, but soon managed to comprehend what had transpired, and immediately gave the alarm. Since the above was put in type one of the missing packages, containing \$3,000 in Tiverton bills, has been found in the back yard of the St. James' Hotel. These notes are only worth ten cents on the dollar, and the rogues probably thought it would hardly be worth while to run the risk of retaining them.

It is supposed the package was thrown into the yard from Washington street.—*Buffalo Express*, Oct. 16.

Texas.—The Marshall (Texas) *Flag* announces the completion of the additional five miles of the Southern Pacific Railroad, and says:

"This work has been done by the new company, who were purchasers at the sale on the 1st of June last. The track is now within two miles of Marshall, and there is iron enough on hand for a half mile more. Notice of the completion of twenty-five miles has been forwarded to the Executive of the State, who will doubtless send an engineer to examine and receive the section, when the company will be entitled to 256,000 acres of land. These lands have already been located, and upon the reception of the section of twenty-five miles, patents will be issued from the General Land Office."

Bank Deposits.—SUPERIOR COURT GENERAL TERM—NEW YORK.—Edward Bigelow vs. Hugh McCabe.—The defendant was the maker of a note payable at the Bowery Bank. The plaintiff presented the note for payment, which was refused, whereupon the note was protested, and the plaintiff brought this action for the face of the note and the cost of protest. In his answer the defendant set up that he had deposited funds in the Bank to pay the note, and they were on deposit when it was presented for payment. The plaintiff moved that this part of the answer be stricken out for irrelevancy, and the motion was granted by the Judge at Special Term. In an appeal to the General Term the order at Special Term was affirmed with costs.

Slosson, J., in rendering the opinion of the full Court, held, that in an action against the maker of a note payable at a Bank named in the note, it is no defence that the maker of the note had funds to his credit in the Bank sufficient to meet the note; and that an averment of such fact is not equivalent to an averment that the defendant was ready at the place of payment, with funds to pay the note, since legally the bank would not be bound, on the mere presentation of the note of a depositor, to apply his funds to its payment.

Death of the Richest Man in New England.—Ebenezer Francis, Esq., died at his residence in Pemberton Square, at half-past six o'clock this morning.

The deceased was born at Beverly, Mass., October 15, 1775, and at his death was, therefore, nearly eighty-three years of age. He was the only son of Colonel Ebenezer Francis, who was killed in the battle of Hubbardtown, near Ticonderoga, July 1777. He came to Boston in January, 1787, a poor boy, and obtained a situation in the counting-room of the late Jonathan Harris, with whom he was subsequently several years connected in business.

"In a few years," says the *Boston Journal*, "Mr. Harris retired, the copartnership was dissolved, and Mr. Francis took a store on Long Wharf, where he engaged in the foreign trade and became a large ship owner. He retired from mercantile business about twenty years ago with a large fortune, but has greatly added to it since that period. He has been well known for many years past in financial circles as a large dealer in negotiable paper, and a conspicuous operator in other money transactions. His wealth is variously estimated at from \$3,500,000 to \$4,000,000. He had on deposit in the Banks of Boston at the time of his death about \$2,300,000, not having renewed any paper for several months past. He was also a large owner of bank stock, mortgages, &c. It is understood that this vast wealth is left subject to his last will and testament, made some time since, and that the bulk of his property has been given to his heirs-at-law."—*Boston Transcript*, Sept. 21.

Bogus Coin.—How it is made and how to detect it.—The material from which the spurious coins, lately shoved in the market, is manufactured, and which forms so perfect an imitation of the genuine as to require a practised eye to detect the difference, is composed of fine tin and nickel,—the latter ingredient serving to harden and give the ringing sound. They are cast in moulds similar to the common bullet mould; on both plates of the mould, a composition of Plaster of Paris in a plastic state is spread, in the lower of which is laid as many genuine coins as the plate will hold, and then the plates of the mould are brought together, and left standing until the plaster is sufficiently hardened, the mould is opened, leaving both sides of the coin distinctly impressed in the plaster on the two plates of the mould. The melted composition is then run through the hole into the mould, and after cooling, the coins, in an imperfect state, are taken out and retouched by filing, &c., and then galvanized. The actual cost of

this bogus coin, after it is finished, is on the average about fifteen cents on the dollar.

All base coin can easily be detected if examined carefully, either by its greasy feel, by its non-ringing sound, or the milling round the edge, which is very seldom perfect. This direction is good both in relation to gold and silver coin, but gold coin is better detected by the lightness of weight.

Treasury Regulation—Payment of Bills of Exchange.

TREASURY DEPARTMENT, August 10.

[SIR:—I have to call your attention to the following regulations, viz.: Bills of Exchange, drawn by United States Consuls, are occasionally presented at this department for payment by holders whose rights are derived from endorsements, not made by parties to whom such bills have been duly made payable, but by other persons claiming to act for such parties by procuration, without producing the power of attorney or other authority for the transfer of the property in such bill of exchange out of its lawful owner. The accounting officers, who are bound to see that no person receives money from the Treasury but by lawful title, cannot recognize such endorsements, unless on competent proof of their sufficiency, which, in the absence of the power of attorney, may be made by a bond of indemnity in double the amount of the sum claimed, executed by two sufficient sureties.

I am, very respectfully,

HOWELL COBB, Secretary of the Treasury.

To Wm. Medill, Esq., First Comptroller of the Treasury.

Iowa.—The Common Council of Dubuque, Iowa, have taken a step in good earnest towards permanently establishing the credit of that city. At a meeting in the early part of this month, the following preamble and resolutions were unanimously passed:—

Whereas, it appears that the people of this city have, heretofore, at different times, voted loans for railroad purposes, amounting to the sum of \$1,650,000, to wit:

For the Dubuque and Pacific Railroad.....	\$200,000
For the Dubuque Western Railroad.....	250,000
For the Dubuque, St. Peters and St. Paul R.....	750,000
For the Turkey River Valley Railroad.....	200,000
For the Southern Wisconsin Railroad.....	150,000
For the Dubuque and Bellevue Railroad.....	100,000

Total.....\$1,650,000

And *Whereas*, it appears further, that only a portion of said bonds have been issued up to this time, to wit, \$450,000—200,000 for the Dubuque and Pacific Railroad, and \$250,000 for the Dubuque Western Railroad; and *whereas*, from the great commercial distress now pervading the country, the want of confidence in the money market of the East, the financial troubles particularly affecting the West, and the heavy taxes necessary to impose in such cases, it is inexpedient and unwise to negotiate any more bonds for Railroad purposes,

Resolved, That hereafter this council will not authorize, countenance, or consent to the issuing, sale, use or negotiation of the bonds above described, or any part thereof, or any transaction, arrangement or scheme which shall require the issue or expenditure of money, other than for the payment of interest already contracted for, from the City Treasury for Railroad purposes.

Debt of Montreal.—The Auditors state the total debt of the city to be £992,788. Of this the Water Works debt is £565,798; the Grand Trunk debt, £125,000; and the ordinary Corporation debt, £341,940. The amount of indebtedness at the first sight seems great, but still, when we come to look into it, and consider the small rate of taxation now levied, we cannot find anything very desperate. The liabilities for the Water Works make the most serious item. The sum of £565,798 is larger than we expected, and it is quite a serious item. According to the statement of the previous year, the Water Works liabilities were then £414,158, making an increase of £151,539 this year. Against this large debt must be put the fact, that with the completion of the distribution the revenue will pay the interest within ten or fifteen thousand pounds; also the further fact that they have caused the reduction of insurance on all the real estate in the city twenty per cent. It is therefore folly to consider

the Water Works debt a grievance. Of the £125,000 of the Grand Trunk debt, £25,000 have been paid. And the rest is perfectly good. It has been placed in such a way as to be quite secure.

Issue of State Railroad Bonds.—We learn that the Governor of Minnesota has delivered into the hands of the Minneapolis and Cedar Valley Railroad Company \$100,000 of the State Railroad Bonds, they having complied with the requirements of the law authorizing a loan of the State credit to Railroad Companies. This makes the second issue of bonds: the first was made to the Transit Company a few days since. We also learn that upwards of 800 men are now at work on the M. & C. V. R. R., and the grading is progressing finely.—*St. Paul Times.*

St. Louis.—According to the recent Report of the Comptroller of St. Louis, the bonded debt of that city is \$5,221,096. Of this sum \$1,777,000 is in bonds issued for railroads; \$426,496 in bonds issued for the water works; \$991,500 in bonds issued for renewal of bonds, loans, &c.; \$446,000 in bonds issued for harbor improvements; \$398,000 in bonds issued for sewers; \$365,500 in bonds issued for the purchase of grounds; \$340,000 in bonds issued for general municipal purposes; \$260,000 in bonds issued for improvements in the old limits; and \$216,500 in bonds issued for district sewers. There have been retired by the Fund Commissioners, and paid at maturity, bonds to the amount of \$573,200. The water works of St. Louis have cost \$1,705,201, on which there is an annual interest of \$102,000. The annual expenses will soon be increased \$48,000, so that the total annual cost of the water works will be \$150,000. Last year the water works yielded \$84,021. The Comptroller estimates the revenue for the present year from all sources except the sale of bonds at \$1,170,000. The value of property belonging to the city is estimated at \$21,180,000.

The Great Russian Railroad.—Our readers have heard of this line of road, constructed and managed by American engineers, who have made fortunes out of it. BAYARD TAYLOR's last letter from Russia gives the following interesting particulars respecting the road:

"There are thirty-three stations between Moscow and St. Petersburg. At the most of these, the station houses are palaces, are built exactly alike, and on a scale of magnificence which scorns expense. A great deal of needless luxury has been wasted upon them. The bridges also are models of solidity and durability. Every thing is on the grandest scale, and the punctuality and exactness of the running arrangements are worthy of all praise. But at what a cost has all this been accomplished! This road, 400 miles in length, over a level country, with very few cuts, embankments, and bridges, except between Moscow and Tver (about one-fourth of the distance), has been built at an expense of 120,000,000 rubles (\$90,000,000), or \$225,000 per mile. When one takes into consideration the cheapness of labor in Russia, the sum becomes still more enormous."

Mr. WINANS' contract, which was originally for ten years, has yet three years to run, and the annual profit upon the contract is said to be one million rubles, or the enormous sum of \$750,000. This story is a large one, and we should not be surprised if a "sober second thought" reduced the figures largely.

Louisville City Bonds.—A sale of Louisville, Ky., City Bonds was recently made in that market at 65 per cent. upon which the *Courier* remarks:

"It is very certain that our city does not owe debts enough to fix such a low value upon her bonds. They have never been questioned by any one who has taken the pains to inform himself as to their value. The interest on them is punctually paid at the expiration of every six months, and the principal will be paid at maturity, just as sure as the time of their falling due shall hereafter arrive.

"The entire indebtedness of Louisville, including nearly two millions of contingent and conditional liabilities, which may never come upon her, is less than \$3,500,000. As an offset against this, she holds more than \$4,000,000 worth of property in her own name, while the assessed value of the property of her citizens, every dollar of which is bound for the liabilities, amounts to \$35,000,000."

Sale of Curious Coins.—The private collection of United States cents belonging to Mr. Edw. W. Cogan, coin dealer, of No. 48 North Tenth street, was disposed of a few evenings since among his private friends and coin collectors generally. The following are the prices of the finer and scarcer descriptions: A fine Washington cent of 1791, large eagle, \$10; extremely rare die of the Washington cent of 1792, \$28 60; ex-

tre mely fine, 1793, river or link cent, \$12 60; 1793, wreath, very fine, \$5 13; 1793, liberty cap, very fine, \$7 35; 1794, remarkably fine, \$4 05; 1795, thick die, very fine, \$2 50; 1795, thin die, fine, \$1 56; 1796, liberty cap, very fine, \$4; 1796, fillet head, very fine, \$4; 1797, very fine, \$1 50; 1798, quite perfect, \$2 50; 1799, very fine date, but not quite perfect, \$7; 1802, very fine, \$4 65; 1803, fine, \$1 25; 1804, very fine, \$5 50; 1805, very fine, \$2; 1790, extremely fine, \$3; 1809, very perfect, termed bull head, \$4. Many other cents realized very good prices, making a total of \$128 68 for 77 cents.

Since the circulation of the new "nickels," coin collectors have been eagerly searching for rare coppers of the old kind, for they will soon be very scarce. We know of one collector who boasts of every copper known to be struck in America, except three or four. Numismatics has become as much a "rage" as opera-going, chess-playing, sailing on the Delaware, rowing on the Schuylkill, or exercising in the gymnasium; and the votaries of this fancy pursue it with a zeal and ardor worthy of the immortal Oldbuck. One collector was indefatigable enough to pick out of nearly one hundred thousand coins a cabinet of four or five hundred, which he considered at least worth \$500; but just after he had made the selection his premises were broken open, and the rare and precious coins were carried off by some rascally burglar, who valued them at about the price of old copper.—*Phila. Bulletin.*

Discounting Bank held liable although its name was not on the draft.—SUPREME COURT.—New York. Before MULLEN, J.—The Bank of the State of New York *vs.* The Mad River Valley Bank. This was an action upon a draft drawn by parties in Ohio upon the Ohio Life Insurance and Trust Company, acceptance waived. The draft was discounted by the defendant, endorsed by its cashier, without the defendant's name upon the paper, and received by the plaintiff as collateral security from the Ohio Life and Trust Company upon a loan made to that corporation.

The defendant moved for a nonsuit, upon the ground that the Ohio Life Insurance and Trust Company was a party to the paper, and also because the name of the defendant nowhere appeared on the paper. The nonsuit was refused. The case then went to the jury upon the question of notice to the plaintiff. The jury found for plaintiff for the amount yet due on the original loan.

BANK ITEMS.

NEW YORK.—Public attention has been directed, for more than a year, to the vulnerable points of our monetary system as disclosed by the revulsion. Protection from the recurrence of a similar calamity has been demanded by commerce and trade, as well as the general welfare of the country; and the vastness of the interests involved impels every business man to an earnest consideration of the subject. Experienced bankers, merchants, and economists, in this and others cities, have not shrunk from their duty in this emergency. They have gone on with their investigations, and we hope ere long to be able to publish the result. We know not what the result will be, nor what conclusions, if any, have been arrived at. But we do know that nothing rash or inconsiderate will be proposed. We do know that every existing interest will be considered and respected, and that whatever changes or modifications of systems may be proposed, will be so graduated that no perturbations will be produced to embarrass the healthy progress of our country in its upward career of sound prosperity. In the present condition of the currencies of the world, admitting that we are now, relatively, on a sound basis, an opportunity is presented to us for the establishment of a *conservative foundation* for the government of future expansions, such as never presented itself before in all our history. We believe that we are approaching the disclosure of measures tending to the achievement of a result so desirable to all classes of the community. Meantime, it would be obviously unfair to criticise in advance, the measures which may be recommended, as it is uncharitable and reprehensible to im-

pute evil intentions where nothing but the best interests of all classes and occupations can be the governing motive.

New York City.—Nathaniel Hayden, Esq., was chosen President of the Chatham Bank at the annual election of Directors, November 1st, in place of John Leveridge, Esq. Edward Willis, Esq., has been elected President of the Grocers' Bank.

Delhi.—The Delaware Bank at this place was entered on Sunday evening, October 31st, and robbed of funds to the amount of thirty-seven thousand dollars. The money consisted of fifteen thousand dollars of mutilated notes of the bank, thirteen thousand dollars of other bills, eight thousand dollars of gold, and the balance in miscellaneous funds. A reward of three thousand dollars is offered for the detection of the rogues and recovery of the money.

Kingston.—B. Hasbrouck, Esq., Cashier of the New York State Bank at Kingston, having resigned, has been succeeded by Henry H. Reynolds, Esq., lately Vice President. Elijah Dubois, Esq., takes the latter office.

Brooklyn.—The Mechanics' Bank of Williamsburgh, under authority of chapter 222, laws of 1858, has had its name altered to "Manufacturers' Bank," Brooklyn.

The Powell Bank of Newburgh is winding up.

New England Bank-Note Currency.—An informal meeting of the Presidents of the Boston Banks was held on Tuesday afternoon, to discuss the subject of the system to be hereafter adopted in the redemption of New England money. A Committee of five was appointed, with full powers, to report upon some plan for a Clearing and Assorting House in Boston. The following gentlemen compose the committee: Messrs. Thomas, of the Webster Bank; Hall, of the Tremont; Lamb, of the New England; Stetson, of the Shoe and Leather; Sprague, of the Globe.

The Suffolk Bank has declined the proposition of a number of the Boston Banks to extend the time of the redemption of foreign money from November 30th for the space of three months.

Bank of Mutual Redemption.—The annual meeting of the stockholders of the Bank of Mutual Redemption was recently held in the Merchants' Bank Building. The following gentlemen were chosen Directors for the ensuing year:—Franklin Nichols, President Thames Bank, Norwich, Conn.; George T. Hodges, President Rutland Bank, Rutland, Vt.; Stephen N. Mason, Director Globe Bank, Woonsocket, R. I.; A. W. Thaxter, Jr., President Traders' Bank, Boston, Mass.; Charles F. Adams, President Mount Wollaston Bank, Quincy, Mass.; Thomas W. Pierce, Director Bank of Commerce, Boston, Mass.; Ezra Farnsworth, Director National Bank of Boston; Chester W. Chapin, Director Agawam Bank, Springfield, Mass.; Francis H. Dewey, Director Mechanics' Bank, Worcester, Mass.; Francis Dane, Director Warren Bank, Danvers, Mass.; Jacob H. Loud, President Old Colony Bank, Plymouth, Mass.; Geo. W. Thayer, President Exchange Bank, Boston, Mass.; James G. Carney, Director Lowell Bank, Lowell, Mass.

New England Banks.—Eighty-eight New England Banks were represented at a Convention here to-day to consider the subject of the redemption of their bills in Boston, and to discuss the position assumed by the Suffolk Bank in the matter. The Convention was quite unanimous in favor of the Bank of Mutual Redemption as a substitute for the Suffolk Bank, and adopted the following resolutions:

Resolved, That it is the duty of the Banks in New England to provide for the redemption of their bills in the city of Boston, at their par value in specie, and that the restraints heretofore imposed upon the undue expansion of bank currency ought in no degree to be diminished or impaired, but we believe it to be a right which the redeeming banks may exercise, to select their own agent to perform the service, having a due regard to the security of the public.

Resolved, That the Bank of Mutual Redemption, chartered by the Legislature of Massachusetts, for the purpose of redeeming the bills of the New England Banks, appears to us to be based upon sound principles, both as regards the equalizing and the economizing of the burden imposed upon the redeeming banks in the performance of the public duty.

Burnt Bills.—Mr. Samuel Hall, President of the Maverick Bank, Boston, called at the office of the General Superintendent of Police in New York, to obtain help in ferreting out an individual engaged in putting worthless bills of that institution into cir-

culatation. Officer Tiemann, detective, was accordingly detailed for that service. He stated the method by which the bills were obtained. Some months ago, he and several of the directors had taken some \$50,000 of mutilated bills to an iron foundry belonging to one of the bank officers, and there consigned them to the furnace. Nothing further was thought of the occurrence, till some time since a five dollar bill with burnt edges was paid in at the desk, when, on investigation, it was traced to a workman employed in the foundry, who acknowledged that a bundle of these charred bills had been obtained. A few days ago another was sent from this city for redemption, with an apology for its condition, which was occasioned, the letter stated, by accidental burning with a candle. It was quickly seen, however, that the edges corresponded precisely with the bill already in possession of the bank, leaving no doubt that the two had been in the package and forge together. It is apprehended that a considerable number of these bills are in circulation, and the officers of the bank are determined to ferret out the matter.

Some time since, it will be remembered, a washerwoman obtained a bill upon one of the banks in Wall street, which had been placed in a grate and carried up the flue by the draught. One or two analogous occurrences have been mentioned in exchanges, indicating that there is often carelessness in this matter.

The facts in this case are as follows:—Some time ago the Directors of the Maverick Bank took several packages of the bills of that bank to the furnace of Henry N. Hooper & Co., in Causeway street, and consigned them to the flames. They supposed they were all burned before they left; but it appears that one package which was not sufficiently loosened before it was thrown into the furnace, was not entirely consumed, and when the workmen returned and overhauled the furnace, a few partly burned bills were obtained by them. The fact was immediately made known to Mr. Hooper, who recovered the bills from those who had them—and the Directors do not believe that there are *twenty-five dollars* in amount of these mutilated bills in circulation. Three of them have come back to the bank. Mr. Hall, the President, happening to be in New York on other business, called at the Police office to get an officer to aid him in finding the individual who sent one of the three bills which have been received at the bank, and not to hunt for bills which they know have been reduced to ashes.

Bank of the Metropolis, Boston.—In accordance with the requirements of the general banking law, the president and directors of the new "Bank of the Metropolis," on the 5th inst. recorded a copy of their stock list in the registry of deeds, and also filed the same in the office of the Secretary of the Commonwealth, preparatory to entering upon business on Monday. The list contains more than three hundred names, representing every class and trade of our substantial citizens, showing a wide-spread interest and strong public confidence in the success of the institution. It is but six weeks since the plan of establishing this bank, under the general law, was originated. Within this brief period the enterprise has been carried through, step by step, to the present satisfactory consummation. This result is due almost entirely to the energy and perseverance of the president, Mr. Way. The auspices under which the bank has been instituted would seem to insure its complete success.

The first section declares that the corporation shall take and be known by the name of the Bank of the Metropolis. The second section,—that the capital of the bank shall be \$200,000, divided in 2,000 shares of \$100 each; but the same may from time to time be increased to \$1,000,000, by notes of the stockholders and in conformity to law. The 3d section,—that the bank shall be opened on the 8th of November, 1858, and that the directors are hereby authorized to call for the payment of 50 per cent. of the stock at that time, and the balance on the 20th of December ensuing, interest to be allowed on the last instalment, if paid in advance. The 4th section,—that the place of business of the bank shall be in Boston, and located at such place as the directors may determine. The fifth section,—that the number of directors who shall compose the Board shall be fixed by the by-laws.—*Advertiser, Nov. 6.*

State Bank.—Mr. Samuel Frothingham, who has been for seventeen years president of the State Bank at Boston, has signified his intention to decline a re-election. He went into the bank when it was founded, in 1811, and received its first deposit. He was afterwards in the Branch of the United States Bank until it was closed, in 1840. In 1841 he was elected president of the State Bank, and has held the office until this time, without interruption.

Brighton.—From the best sources we have ascertained that the deficit stands on the books at \$16,950, and with this charge against the institution the surplus fund is \$20,862 84. But the bank has undoubted means of realizing the deficit out of the cashier's bonds and good collaterals, which accomplished, the surplus will stand \$37,812. 84.

On the other hand, two checks of \$10,000 each (say 20,000) are in dispute with the Faneuil Hall Bank, and should the latter bank prevail, the Bank of Brighton would then be left with a surplus of \$17,812 84. The doubtful paper is small in amount, and it is concluded that the loss thereon can in no case exceed \$3,130. As to the resignation of the late president, Mr. Bennett, it is a step he has long desired and proposed, is a perfectly voluntary one, and was taken with reference to his own convenience simply, and against the wishes of all the directors. He still serves on the Board, and is a most energetic and valuable officer.—*Boston Traveller*.

MAINE.—The affairs of the Exchange Bank, of this city, have been finally wound up by the receivers, who closed up the books, and made a grand bonfire of \$20,000 of the bills of the bank. They have paid dollar for dollar of the public indebtedness of the bank which has been presented within the time allowed by law. We understand there is a large amount of the bills (25,000) still in circulation somewhere at the West. If it had been sent in, a large dividend would have been paid on the whole; but that which is now out is of course worthless. The concern is closed up.—*Bangor Courier*.

CONNECTICUT.—At New Haven Dr. Henry Bronson has been elected president, and Ransom Burritt, cashier of the New Haven County Bank. Messrs. Henry Hotchkiss, Wm. B. Bristol, and Wm. Hall, who claimed to be elected directors at the annual meeting in July, which was disputed and ignored at the adjourned meeting, have removed any question or dispute, by sending in their resignations, which have been accepted by the directors, and Messrs. Henry Bronson, Charles P. Hubbell, and Gardner Morse, the three gentlemen elected in their places by the stockholders, have been chosen in their places by the Board.

Litchfield.—The Litchfield Bank had a hearing before Judge Ellsworth, at Hartford, November 15th. The Bank Commissioners made a report showing the bank to be insolvent, and not in a condition to go on. The bank was enjoined, and Abijah Catlin and F. E. Harrison were appointed receivers. Four months is allowed for the presentation of claims against the bank. The affairs of the bank are at present in a bad condition, but the receivers are practical business men, in whose hands every dollar that can be made available will be received for the benefit of the creditors.

NEW JERSEY.—The Essex County Bank of Newark has been organized under the General Banking Law, with a capital of \$100,000, with the privilege of increasing it to \$500,000. Ten per cent. of the capital is already paid in, and the balance will be paid by instalments whenever the directory may determine.

Notices are published, that application will be made at the next session of the New Jersey Legislature, for a new Bank at Camden; also for one at May's Landing.

PENNSYLVANIA.—The following new banks have been established in Pennsylvania since January, 1858, with the names of President and Cashier of each:—

Location.	Name.	President.	Cashier.
Philadelphia.	Union Bank.	James Dunlap.	James Lesley.
Do.	Corn Exchange Bank.	Alex. G. Cattel.	John W. Torrey.
Reading.	Union Bank.	David McKnight.	Charles B. McKnight.
Jersey Shore, Lycoming Co.	Jersey Shore Bank.	John A. Gamble.	J. J. Sanderson.
Erie.	Bank of Commerce.	B. Grant.	Gideon J. Ball.
New Brighton.	Bank of Beaver County.	Silas Merrick.	Edward Hoops.
Hollidaysburg.	Central Bank.	Thomas MacDowell.	Joseph Power.
Meadville.	Bank of Crawford Co.	Thomas Van Horne.	A. C. Finney.
Uniontown.	Fayette County Bank.	Alfred Patterson.	William Wilson.
Lebanon.	Lebanon Valley Bank.	John George.	James Brower.
Smithport.	McKean County Bank.	(Failed.)	
McKeesport.	Monongahela Valley Bank.	do	
Oxford, Chester Co.	Octorara Bank.	Samuel Dickey.	J. H. Cunningham.
Shamokin.	Shamokin Bank.	F. Maurer.	D. A. Robinson.

Mechanics' Bank.—Mr. Mitchell, Cashier of the Mechanics' Bank, denies that this bank held stock of the "Bank of Pennsylvania." His letter is as follows, addressed to the editor of a Philadelphia paper:—

Philadelphia, Nov. 5, 1858.

"In your paper, this morning, is a well-timed article on the "Bank of Pennsylvania," in which a partial list of unfortunate stockholders in that institution is given. Among them is the name of Mr. Thaw, cashier, two hundred and sixty-three shares, which is only another name for this bank, as he was its cashier for many years. This notice is calculated to injure us, and especially as *we never owned a share of this stock* since our organization. We loaned during the term of Mr. Thaw's cashiership, a sum of money on the above two hundred and sixty-three shares, as collateral, which loan was repaid, and the stock returned to the owner with power of attorney attached, years ago. No doubt, the money was procured elsewhere, and the stock with power to transfer, handed over, and thus remained until the failure of the bank; or else, in the sad confusion which prevailed, the transfer was neglected by the bank. At all events, we have no interest in it, and would desire to be disconnected with every thing relating to the Bank of Pennsylvania. I take the liberty, therefore, of making this explanation, knowing that you will cheerfully correct the statement."

Philadelphia.—The splendid granite building on Chestnut street, Philadelphia, built for the use of the exploded Bank of Pennsylvania, was offered at public sale on the 26th October, under the trust made for the benefit of the creditors. It was announced that \$150,000 might remain on mortgage; also that no bid would be received for less than \$200,000. Mr. Thomas, the auctioneer, gave the company "time to make up their minds." He was, however, interrupted by some one exclaiming in a fierce tone, "You can't give a title!" [Sensation.] Another voice in more quizzical accents, inquired "whether Pennsylvania Bank notes would be taken in payment." Another voice was heard to lisp, "*Werth the President?*" [Laughter.] Somebody else inquired for "Allibone," and the individual who was troubled about the title again announced that it was not clear. The scene was also enlivened by the barking of a couple of small dogs, which had found their way into a corner of the room. The obstreperous title-man was silenced, and the dogs kicked out, but still no bids were offered. After waiting a considerable time, the auctioneer announced the sale of the banking-house postponed till the close. After the rest of the property had been put up, the banking-house was again offered, but the highest bid was \$175,000, from Mr. Joseph Harrison, jr., which was refused.

Philadelphia.—James Dunlap, Esq., has been elected President of the new Union Bank of that city: John M. Pomeroy, Vice President, James Lesley (of Chambersburgh) Cashier.

Chambersburgh.—George R. Messersmith, Esq., has been elected Cashier of the Bank of Chambersburgh, Pa., in place of James Lesley, Esq., who assumes the Cashiership of the Union Bank, of Philadelphia.

Carlisle.—William M. Beetem has been elected Cashier of the Carlisle Deposit Bank, vice N. C. Musselman, who has been elected Receiving Teller of the Union Bank, in Philadelphia.

MARYLAND.—We learn that the Trustees of the Mineral Bank of Maryland expect to pay a second dividend of $27\frac{1}{2}$ cents on the dollar about the first of November next. They have already paid one dividend of 25 per cent. It is expected that, at the third and final dividend, about 20 per cent. will be declared, thus making a total of 72 cents on the dollar.

SOUTH CAROLINA.—Fourteen years, the period embraced in the first charter of the Charleston Savings Institution, expired a few months since, and the corporation is now under its new charter. It was the first establishment of the kind in the Southern States. The present Treasurer, H. S. Griggs, Esq., was elected to that office three months after the bank began operations. It was a strange and untried scheme to our community, and with that caution which is characteristic of their intense conservatism, they gave it their patronage and confidence very slowly. The whole expense of the bank the first year of its existence, was two hundred and thirty-seven 17-100 dollars.

out of which sum the Treasurer received one hundred for his services. We may form some idea of its rapid growth since that year of its infancy, when we state that its annual expense, for several years past, has been six thousand dollars. Since its organization twelve thousand two hundred and three accounts have been opened, half of which are still open. It has now twelve hundred thousand dollars on deposit, held for six thousand persons. Many citizens of our sister States have availed themselves of the security and profit this bank affords, and there are individuals, even in Maine, whose purses entertain a high opinion of the integrity and ability with which it has been conducted.

At the close of every five years the surplus that has accumulated is divided among the depositors. At the end of the first quinquennial term the amounts deposited yielded seven per cent. per annum; seven and a half per cent. was realized at the conclusion of the next period, and there are one hundred thousand dollars to be distributed the ensuing March, which will insure about nine per cent., the value of the loans now on the books of depositors.

GEORGIA.—The Governor of Georgia, in his annual message, makes the following suggestions :—

In December, 1857, the Legislature passed, without Executive sanction, a bill providing against the forfeiture of Bank Charters, in consequence of the suspension of specie payments. The bill prohibited the taking of usury by the Banks, and required Bank officers to make sworn returns. The Governor reports that a large majority have refused obedience to this requirement, and recommends the imposition of severe penalties for disobedience. The Governor enlarges upon the imperfections and abuses of the present banking system of the State, and argues that it should be completely reformed, or entirely abolished. He recommends the passage of a law prohibiting the issue or circulation of small bills. He also suggests the expediency of establishing a Sub-Treasury. The public debt of the State amounts to \$2,360,500, payable at intervals of twenty years; a large portion of this debt has been contracted on account of the State road. For its payment, the net earnings of the Western and Atlantic Railroad are already pledged, and an act setting apart from this source an annual fund of \$200,000 for the redemption, is recommended.

INDIANA.—The question has never until recently been legally decided in Indiana, whether any number of individuals may associate and issue bank notes without the authority of law, or, in other words, whether it is a common-law right extended to every person who chooses to exercise it in that State. The question having been made before Judge Perkins, of the Putnam County Circuit Court, Indiana, that magistrate decided that "under the Constitution of Indiana, which provides for the creation of a State Bank, and also for 'free banking,' regulated by statute, no bank of issue can be established except in one or the other of these modes. That being the case, the Judge holds that the Citizens' Bank of Gosport is an illegal institution, and because of its illegality its issues are void; and, being void, no action can be brought, founded on such notes of issue, although the consideration given for them may be recovered. There is no statute making it a penal offence to issue such paper." In Massachusetts, New York, and other States, there are express statute provisions against individual notes of the kind, or any other like bank issues without charter.

The Old State Bank of Indiana.—The State Board of the old Bank were in session in November, arranging for the winding up of the affairs of that institution. We learn that the circulation has been reduced to within \$300,000, averaging about \$20,000 to each branch. The arrangement for its redemption in this city by exchange at par on New York, instead of the counters of the several branches, only has the effect to send home the outstanding circulation rapidly. The long time the Bank was in operation, twenty years, with a large and extended circulation, and the small amount now outstanding, comparatively, shows that after all, but a small percentage of Bank bills are accidentally lost or destroyed.

In the opinion of many, the legal liability of the bank for the redemption of its issues, ceases on the first of January next, but the Board do not design to take any technical advantage of the kind, and will provide for the redemption of all the outstanding circulation if presented in a reasonable period. The manner of closing up the affairs of the bank has not yet been determined upon. Some are in favor of selling the assets at public sale, and dividing the proceeds, while others are disposed to let the

branches collect the indebtedness due them, and partition the same as realized. But few banking institutions anywhere have been managed so successfully as the old State Bank of Indiana. During its existence it paid handsome dividends to its stockholders, and it winds up, returning to them not only the original capital invested, but a large surplus.

Indianapolis.—The proceeds of the Bank of the Capitol, Indianapolis, are exhausted, and nothing is left to redeem its outstanding circulation. The amount unredeemed is very small—not reaching \$300, perhaps. The proceeds of the Farmers and Traders' Bank, of Indianapolis, are also exhausted. Its outstanding circulation is very small—less than that of the Bank of the Capitol. The proceeds of the Bank of Rochester are also exhausted. The amount of its outstanding circulation is unknown, but cannot be very large. The issues of each of these three banks are worthless.

Iowa.—At the recent meeting of the Board of Directors of the State Bank of Iowa, at Iowa City, it was resolved that, for the present, they would deliver to the different branches bills for circulation only equal to the capital paid in, allowing the circulation in future to be increased as the Board may deem advisable. The Executive Committee were instructed to call a special meeting of the Board as soon as bills for circulation are procured and ready for distribution to the Branches, which, it is supposed, will be the latter part of December.

Kentucky.—*Louisville Branch Commercial Bank.*—D. S. Benedict, for many years a prominent Director in the Bank of Kentucky, has been elected President, and W. H. Davidson, Cashier of this Bank, just established.

Missouri.—Sixty thousand dollars additional circulation have been received at the Merchants' Bank of Brunswick. The thirty thousand dollars additional specie capital was counted by W. W. Powell, Esq., for the Bank Commissioner, and a certificate to that effect duly signed, delivered to the Bank. The circulation of this Branch Bank is now one hundred and sixty thousand dollars. The subscribed capital, one hundred for the Branch, and one hundred from the mother Bank, in all, two hundred thousand dollars.

Ohio.—In Cincinnati, November 10th, the inquiry into the charges filed against James P. Kilbreath and N. C. McLean—in connection with the Ohio Life and Trust Company—for contempt toward the orders and process of the Supreme Court by their action in certain proceedings in the United States Court, was resumed before Judge Storer. Answers to the charges were read by Mr. McLean in person and by Mr. Todd for J. P. Kilbreath. They alleged that the charges were wholly without foundation, and that what the one did was under a conscientious discharge of his professional duties—and the other in pursuance of an order of the Circuit Court appointing him receiver. Messrs. Todd and Stanbery addressed the Court, the latter counsel at great length, and principally upon the point of jurisdiction, upon which he contended the whole question must turn. The further hearing was postponed to the next day, Judge Storer intimating that he would not decide the question until Monday, Nov. 15th. About fifty of the creditors of the Trust Company met at Cincinnati, also on Wednesday, (all lawyers having been requested to absent themselves,) to vote upon certain resolutions that had been proposed for presentation to the Judges of the conflicting Courts. The resolutions—which were to the effect that it was most desirable that the Courts would promptly settle the question of jurisdiction, and which occasioned much discussion—were finally passed, with but two negative votes.

Tennessee.—We observe a radical change contemplated in Tennessee, recommended by such men as Governor Johnson, Senator Nicholson, and others of character, *all democrats*. A respectable number of intelligent democrats from various portions of the South, assembled at Nashville recently, for the purpose of consulting and comparing views on the subject of currency. After a full and fair comparison of views, the following report was adopted, as embodying the sense of a majority of the meeting:

1. That it would be unwise policy to re-charter any of the existing banks.
2. That such reforms should be made in our currency during the existence of the present banks as will insure a sound circulating medium, convertible at all times into gold and silver.
3. That the several banks, as their respective charters shall expire, should go out of existence, and such steps should be taken, consistently with the public interest,

as will secure the liquidation of the Bank of Tennessee at the expiration of its charter.

S. A. Smith, Andrew Johnson, A. O. P. Nicholson, Edwin A. Keerie, John K. Howard, Committee.

[This seems to point to the adoption of some system as in New York and elsewhere, whereby the circulation of the banks shall be secured against loss by failure.]

Knoxville.—John L. Moses has been appointed cashier of the Bank of Knoxville. This is one of the Free Banks of this State, and its issues are well secured by a deposit of State Bonds with the Comptroller. The Bank is owned by Dyer Pearl & Co., of Nashville, a firm of deservedly high standing.

WISCONSIN.—The following banks have been established in Wisconsin this year:

<i>Name.</i>	<i>Location.</i>	<i>Cashier.</i>	<i>Capital.</i>
Northern Wisconsin Bank	Aurora	E. Wood	50,000
Oneida Bank	Berlin	E. Kellogg	25,000
Bank of Eau Claire	Eau Claire	C. M. Seley	50,000
State Stock Bank	Eau Claire	H. O. Pratt	125,000
Tradesmen's Bank	Eagle Lake	A. M. Brewer	100,000
Marathon County Bank	Eagle River	C. Wheeler	60,000
State Security Bank	Gemekon	C. H. Helmes	100,000
Bank of Moncks	Gordon	J. Cole	75,000
Oconto County Bank	La Porte	G. A. Miller	100,000
Frontier Bank	La Pointe	L. F. M. Gowan	35,000
La Crosse County Bank	La Crosse	W. W. Webb	25,000
Bank of Manitowoc	Manitowoc		100,000
Wisconsin Valley Bank	Millville	Henry D. Patchen	100,000
Union Bank	Milwaukee	W. F. Herbert	50,000
Bank of Oconto	Oconto	J. F. Woodruff	100,000
Clark County Bank	O'Neilsville	W. J. Lyons	250,000
Bank of Portage	Portage	H. L. Norton	50,000
City Bank	Prescott	W. P. Westfall	50,000
Shawnee Bank	Shawnee	E. P. Niles	100,000
Bank of Sparta	Sparta	S. McCord	25,000
Bank of Monroe Co.	Sparta	E. Meyers	50,000
Manitowoc County Bank	Two Rivers	L. Kemper	50,000
Bank of Wisconsin	Watertown	Peter V. Brown	50,000
Bank of the Interior	Warsaw	Geo. L. Field	50,000
Merchants and Mechanics' Bank	Whitewater	D. Graham	100,000
Bank of Wisconsin	Waterloo	J. F. Westover	50,000

The following banks have relinquished business: 1. Farmers' Bank, Hudson; 2. Badger State Bank, Janesville; 3. Bank of the City of La Crosse; 4. Globe Bank, Milwaukee.

A Bogus Bank.—The Bills flooding the West.—\$50,000 of the money circulated in Wall street.—The arrest of a guest of the International Hotel, Mr. Jethro Wood Underhill by name, for having in his possession with intent to pass about \$400 of the bills of The New England Bank, at Fairmount, Me., a concern that never existed, was effected on Monday through the instrumentality of the proprietor of the hotel, and from information subsequently received by Detective officers Roach and Poole. It appears that the Western States have recently been flooded with the bills, and that \$50,000 of them have been recently paid in Wall street and vicinity for stocks, lands, &c. The bills are \$5's, \$10's and \$20's, and are in every respect handsomely executed. They are signed "Martin," Cashier, and E. Rittenhard, President.

TRUKEY.—It is mentioned from Constantinople that the concession for the establishment of the long-projected "Bank of Turkey," with a paid-up capital of £1,000,000, and an exclusive note issue to the extent of three times its amount of specie, has been definitively bestowed, and that the required deposit of £20,000 has been paid to the Ottoman Government. According to statements, however, from persons in London, likely to be well informed, the question is still entirely open.

Notes on the Money Market.

NEW YORK, NOVEMBER 24, 1858.

Exchange on London, at Sixty days' sight, $9\frac{1}{2}$ a $9\frac{3}{4}$ premium.

The money market shows continued ease, with increased facilities for negotiating business paper of an acceptable character. Numerous transactions have taken place since the opening of November at $4\frac{1}{2}$ a $4\frac{1}{2}$ for prime four months paper. The banks are in some instances taking paper at 5 per cent., and are prepared to advance their line of discounts, although the specie reserve is lower than in September and October. We annex the current quotations at this date as compared with those at the end of October.

	Oct. 25th.	Nov. 24th.	
Loans on call, with stock securities,.....	3 a 3 $\frac{1}{2}$	3 $\frac{1}{2}$ a 4	per cent.
Do other good securities,.....	3 $\frac{1}{2}$ a 4 $\frac{1}{2}$	4 a 5	"
Prime endorsed bills, 60 a 90 days,.....	4 $\frac{1}{2}$ a 5	4 $\frac{1}{2}$ a 5	"
Do do 4 to 6 months,.....	5 a 6	5 $\frac{1}{2}$ a 6	"
First class single signatures,.....	5 a 7	5 $\frac{1}{2}$ a 7	"
Other good commercial paper,.....	7 a 8	7 a 8	"
Names not well known,.....	8 a 10	8 a 10	"

The banks of the city have increased their loans to \$127,000,000 during the month, their deposits being quite steady. Some important modifications are proposed for the banking system of this State. Changes that have been suggested by the serious distress and evils arising from the inflation of May, June and July, 1857. Our readers will find these suggestions contained in a report which we republish in full in another portion of this number. The losses that have been sustained by the banks of the city in consequence of the reaction which followed the inflation of the early part of 1857, have induced some of our soundest financiers to examine with great labor the workings of the banking system of the State. So far as profits of shareholders are concerned, it is believed that a more conservative system than that hitherto in vogue, will secure more uniform dividends and more satisfactory results. We annex our usual summary of the leading items:

1858.	Loans.	Circulation.	Deposits.	Sub-Treasury.	Bank Specie.	Total Specie.
Jan. 2,	\$98,549,000	\$6,490,000	\$78,635,000	\$3,259,000	\$28,561,000	\$31,820,000
Feb. 6,	103,602,900	6,873,000	86,000,000	3,168,700	30,652,900	33,821,600
Mar. 6,	105,021,000	6,854,000	90,382,000	2,996,700	32,739,700	35,736,400
April 3,	110,588,000	7,232,000	93,589,000	5,548,000	31,530,000	37,078,000
April 24,	111,003,000	7,140,000	95,340,000	3,695,000	34,113,800	37,808,800
May 1,	111,868,000	7,431,000	98,438,000	3,145,400	35,064,200	38,209,600
June 5,	116,424,000	7,548,000	101,489,000	5,263,300	32,790,300	38,053,600
July 3,	119,812,000	7,458,000	186,803,000	5,820,000	33,830,200	39,650,200
Aug. 7,	120,892,000	7,784,000	107,454,000	5,553,000	35,145,000	40,698,000
Sept. 4,	125,885,000	7,748,000	103,347,000	13,077,000	28,848,000	41,125,000
Sept. 11,	125,013,000	7,830,000	102,897,000	12,626,000	22,059,000	40,646,000
Sept. 18,	124,649,000	7,313,000	104,738,000	12,612,000	28,808,000	41,420,000
Sept. 25,	124,118,000	7,864,000	102,429,000	11,838,000	28,625,000	40,463,000
Oct. 2,	123,659,000	7,875,000	104,901,000	11,100,600	28,533,000	39,633,700
Oct. 9,	123,599,000	7,980,000	105,565,000	10,476,649	29,170,000	38,646,800
Oct. 16,	124,216,000	7,890,000	106,497,000	10,198,800	28,506,000	38,705,300
Oct. 23,	124,874,000	7,879,000	108,072,000	9,605,800	28,631,400	38,267,200
Oct. 30,	126,093,000	7,822,000	108,801,000	9,151,500	26,707,800	35,859,300
Nov. 6,	126,809,000	8,186,000	109,217,400	8,256,000	26,337,300	34,593,300
Nov. 13,	127,027,000	7,975,000	88,542,000	7,808,500	26,039,200	33,847,709
Nov. 20,	125,898,000	7,860,000	88,045,000	7,463,200	26,790,800	34,354,000

The foreign exchanges have assumed a better shape since the end of October. Bankers' bills on London have declined to the specie point, 109½ a 109¾, while commercial bills have been sold at 108 a 109. On France the rates were long steady at 515 a 515½, but bills are now abundant at 516½ a 515. We renew our summary of the quotations of foreign exchange since August last:

	July 26.	Aug. 24.	Sept. 24.	Oct. 25.
London, 60 days, Bankers' Bills,.....	109½ a 109¾	110 a 110½	109½ a 110	109½ a 109¾
Do do Mercantile Bills,.....	109 a 109½	109 a 109½	109 a 109½	108½ a 109
Do do with Bills of Lading,.....	108½ a 109	109 a 109½	108½ a 109	107½ a 108½
Paris, 60 days' sight,.....	5.11½ a 5.10	5.13½ a 5.11½	5.12½ a 5.11½	5.16½ a 5.15
Antwerp, ".....	5.11½ a 5.10	5.12½ a 5.11½	5.12½ a 5.11½	5.15 a 5.13½
Hamburg, ".....	36½ a 36¾	36½ a 36¾	36½ a 36¾	36½ a 36¾
Bremen, ".....	79½ a 79¾	79½ a 79¾	79½ a 79¾	79 a 79½
Amsterdam, ".....	41½ a 41¾	42½ a 42¾	41½ a 41¾	41½ a 41¾

There has been during the present month a steady demand for State loans. Capital is more directed to this species of investment, and better prices are generally obtained. The sales of Missouri Six per Cents. have been large, mainly for investment, at 89½ a 90; Georgia Sixes are steady at 101; Virginia, 95½ a 97½. The Government Six and Five per Cents. are offered in small sums only. Our quotations have reference to the latest cash sales, but they are ½ a 1 per cent. below the prices asked generally by holders. New York State Sixes of 1875 command 114 a 116; Alabama Fives, 85 a 86; Illinois Internal Improvement Sixes, 103 a 104; Iowa Seven per Cents., in small amounts, par offered, 106 a 110 asked; Maryland Sixes, 106½ a 107. We annex the current rates for the past eight weeks:

	Oct. 1st.	8th.	15th.	22d.	29th.	Nov. 5th.	12th.	19th.
U. S. 6 per cents. 1867-'8.....	113½	114	114	113½	114½	114½	114½	114½
U. S. 5 per cents. 1874.....	103½	103½	104	104½	104½	104½	104½	104½
Ohio 6 per cents. 1866.....	106	105½	106	106½	109	108½	107	107
Kentucky 6 per cents.....	103½	103½	104½	105	105	104	104	105
Indiana 5 per cents.....	89	90	91	91½	92	91½	91½	91½
Pennsylvania 5 per cents.....	89½	89½	90½	91½	93	94½	95½	95½
Virginia 6 per cents.....	93	93½	93½	95½	92½	92½	96½	97
Georgia 6 per cents.....	98	99½	99½	101	101	101	101	101
California 7 per cents. 1877.....	82½	85½	87	87	92½	90	90½	93
North Carolina 6 per cents.....	94	94½	96	97½	98½	99	98½	98½
Missouri 6 per cents.....	84½	86½	87½	88½	89½	89	89½	89½
Louisiana 6 per cents.....	91	90½	93	94½	96½	94½	95	94½
Tennessee 6 per cents.....	90½	91½	92½	94½	95	93½	94	94

The cash sales of railroad bonds continue large from day to day, with a general decline in market values. Erie bonds have improved, being exceptions to the general remark. We annex the closing prices of miscellaneous securities for the past eight weeks:

	Oct. 1st.	8th.	15th.	22d.	29th.	Nov. 5th.	12th.	19th.
Erie Railroad 7s, 1859.....	84	81½	82	83½	84½	85	84½	84
Erie Sinking Fund bonds, '75..	32	32	33	35	35½	36½	36½	38
Erie Convertibles, 1871.....	30½	31	32	35	37½	36	37	38
Hudson River R. R., 1st mort....	100½	101	101½	101½	103½	102½	103½	103
Panama Railroad bonds.....	113	113	115	115	113	113	113	115
Illinois Central 7s.....	92	89	90	93	96	94½	92	93½
New York Central 6s.....	91	92	93	93	93½	90½	90½	90½
Canton Co. shares.....	18½	—	19½	21	21½	21	20½	20½
Pennsylvania Coal Co.,.....	73½	76	76	79½	83	78	78½	79
Cumberland Coal Co.....	—	—	—	—	19	19	19	23½
Del. and Hudson Canal Co.....	97½	99	99½	100	101	97½	97	97
La Crosse Land Grant bonds...	26½	25½	27	27½	28½	25½	27	—
Pacific Mail Steamship Co.....	105	101	105½	105½	105½	106½	104½	103

Railroad shares are much lower, especially those of western roads, whose business has declined for the year compared with 1856 and 1857. We note a decline in New York Central since the close of October, $2\frac{1}{2}$; Reading, $\frac{1}{2}$; Michigan Central, $3\frac{1}{2}$; Michigan Southern, $2\frac{1}{2}$; Panama, $\frac{1}{2}$; Baltimore and Ohio, $1\frac{1}{2}$; Illinois Central, $7\frac{1}{2}$; Cleveland and Toledo, $1\frac{1}{2}$; Chicago and Rock Island, $5\frac{1}{2}$; Milwaukee and Mississippi, $4\frac{1}{2}$; Galena and Chicago, $7\frac{1}{2}$; Cincinnati, Hamilton and Dayton are quoted at 48 a 54; Cleveland, Columbus and Cincinnati R. R., 94 a 95; Cleveland and Pittsburg, 10 a 11; Delaware and Lackawanna, 34 a 36; Little Miami, 80 a 81; Macon and Western, 83 a 85; New Jersey, 128 a 130; New Haven and Hartford, 120 a 124; New York and New Haven, 40 a 50; Pennsylvania Central, 85 a 86. We annex the current rates for the past eight weeks :

	Oct. 1st.	8th.	15th.	22d.	29th.	Nov. 5th.	12th.	19th.
N. Y. Central R. R. shares,.....	81 $\frac{1}{2}$	83 $\frac{1}{2}$	84 $\frac{1}{2}$	85 $\frac{1}{2}$	85 $\frac{1}{2}$	83 $\frac{1}{2}$	83 $\frac{1}{2}$	82 $\frac{1}{2}$
N. Y. & Erie R. R. shares,.....	16 $\frac{1}{2}$	15 $\frac{1}{2}$	15 $\frac{1}{2}$	15 $\frac{1}{2}$	16 $\frac{1}{2}$	16 $\frac{1}{2}$	16 $\frac{1}{2}$	16 $\frac{1}{2}$
Harlem R. R. shares,.....	10 $\frac{1}{2}$	10 $\frac{1}{2}$	12 $\frac{1}{2}$	12 $\frac{1}{2}$	12 $\frac{1}{2}$	12 $\frac{1}{2}$	12 $\frac{1}{2}$	12 $\frac{1}{2}$
Reading R. R. shares,.....	47 $\frac{1}{2}$	42 $\frac{1}{2}$	50 $\frac{1}{2}$	51 $\frac{1}{2}$	52 $\frac{1}{2}$	51 $\frac{1}{2}$	50 $\frac{1}{2}$	51 $\frac{1}{2}$
Hudson R. R. shares,.....	27 $\frac{1}{2}$	27	22 $\frac{1}{2}$	29 $\frac{1}{2}$	32 $\frac{1}{2}$	31 $\frac{1}{2}$	32 $\frac{1}{2}$	34
Michigan Central R. R. shares,.	51 $\frac{1}{2}$	54 $\frac{1}{2}$	57	57 $\frac{1}{2}$	57 $\frac{1}{2}$	54 $\frac{1}{2}$	52	53 $\frac{1}{2}$
Michigan Southern R. R. shares,	23 $\frac{1}{2}$	53 $\frac{1}{2}$	24	24 $\frac{1}{2}$	24 $\frac{1}{2}$	23 $\frac{1}{2}$	22 $\frac{1}{2}$	22 $\frac{1}{2}$
Panama R. R. shares,.....	118 $\frac{1}{2}$	116 $\frac{1}{2}$	118	119	121	119	120	120 $\frac{1}{2}$
Baltimore & Ohio R. R. shares,	54 $\frac{1}{2}$	53 $\frac{1}{2}$	56 $\frac{1}{2}$	57	58	57	58	57
Illinois Central R. R. shares,....	79 $\frac{1}{2}$	79	80 $\frac{1}{2}$	83 $\frac{1}{2}$	87	84 $\frac{1}{2}$	79 $\frac{1}{2}$	79 $\frac{1}{2}$
Cleveland and Toledo R. R....	32	31 $\frac{1}{2}$	34 $\frac{1}{2}$	34 $\frac{1}{2}$	33 $\frac{1}{2}$	33 $\frac{1}{2}$	32 $\frac{1}{2}$	32
Chicago and Rock Island R. R.	65 $\frac{1}{2}$	66	65 $\frac{1}{2}$	62 $\frac{1}{2}$	67 $\frac{1}{2}$	65 $\frac{1}{2}$	64 $\frac{1}{2}$	61 $\frac{1}{2}$
Milwaukee and Miss. R. R.....	16	15 $\frac{1}{2}$	16 $\frac{1}{2}$	16	16 $\frac{1}{2}$	16	13 $\frac{1}{2}$	12
Galena & Chicago R. R. shares,	84 $\frac{1}{2}$	84 $\frac{1}{2}$	82 $\frac{1}{2}$	82 $\frac{1}{2}$	79 $\frac{1}{2}$	75 $\frac{1}{2}$	74	72 $\frac{1}{2}$
La Crosse & Milwaukee R. R..	4 $\frac{1}{2}$	4 $\frac{1}{2}$	4 $\frac{1}{2}$	4 $\frac{1}{2}$	4 $\frac{1}{2}$	4 $\frac{1}{2}$	4 $\frac{1}{2}$	—

The bank loans, circulation, specie, and deposits of the large cities are as follow :

CITIES.	Loans.	Specie.	Circulation.	Deposits.
New York, 20th,.....	\$125,898,000	7,860,000	26,790,000	88,040,000
Boston, 15th,.....	56,314,000	6,760,000	9,280,000	22,740,000
Philadelphia, 20th,.....	26,236,000	2,730,000	6,800,000	16,760,000
New Orleans, 6th,.....	26,107,000	7,055,000	12,540,000	17,360,000
Pittsburg, 15th,.....	6,106,000	1,619,000	1,130,000	1,960,000
Providence, 15th,.....	17,989,000	2,000,000	440,000	2,350,000
Total,.....	\$258,650,000	28,024,000	57,180,000	149,210,000

According to the *London Times* of the 10th instant, the improvement which recently took place in the English funds on the publication of the letter of the Emperor Napoleon on the African question, and the arrival of the *Lincolnshire* from Australia, was fully maintained, and the market throughout the day presented a good appearance, although the transactions on the part of the public continue unimportant, and in all departments of general business there is a remarkable absence of animation. Consols opened at 98 $\frac{1}{2}$ to $\frac{1}{2}$ for money, and 98 $\frac{1}{2}$ for the 7th of December, showing an improvement of an eighth on the quotations of last evening, and remained without alteration. To-morrow is settling day, and the operations were chiefly in connection with that circumstance. The tone of prices was influenced by an abundant supply of money for loans on Government securities till December at 2 to 2 $\frac{1}{2}$ per cent.



The Cashier in a State of Siege.

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No. 7.

NEW VIEWS OF THE CURRENCY QUESTION.

Papers read before the Currency Reform Association of New York.

No. III.—BY HON. JOHN A. DIX, OF NEW YORK.

MR. CHAIRMAN:—At the request of several gentlemen who have attended your meetings, I venture to present some views in regard to a sound currency. I do so with great diffidence, as I have not been present at your consultations, and I am apprehensive that what I wish to say may already have been much better said.

It seems to me self-evident that no currency can be sound, which does not consist of specie, or paper convertible into specie at pleasure. Paper which cannot be so converted is a mere evidence of debt, and has no more claim to the character of a currency than any other evidence of debt, no matter what form it may take. The only legitimate currency for any country is coin; and until within the last two centuries there was no other. Paper-money, which professes to be a representative of specie, and redeemable in it, is a contrivance of modern speculators. So long as it is in fact what it professes to be;—in other words, so long as it represents an equal amount of specie securely placed, for which it can be exchanged at the pleasure of the holder, it is unobjectionable if issued for considerable sums, and has some convenience for the ordinary purposes of circulation. A bank-note of one hundred dollars, for instance, is more conveniently carried about the person or sent from one place to another, than the gold or silver coin, which it represents. For remittances, however, bank-notes have only to a very limited extent superseded the older medium—bills of exchange. The proper office of

bank-notes is to facilitate exchanges between individuals in sums so considerable as to make the use of coins inconvenient. But when issued for small sums, they have no advantage over specie on the score of convenience, and they are obnoxious to the grave objection of expelling the precious metals from circulation. When a paper currency ceases to be the representative of specie and cannot be converted into it at pleasure, it is, as I have said, a mere evidence of debt, and becomes a fruitful source of evil, by stimulating speculation, and giving to commercial exchanges an unnatural activity.

We often hear it said that it is the duty of the Government to regulate the currency. Rightly understood, the proposition is just. It is the duty of a Government to coin money, and to affix its stamp, that its citizens or subjects may have a common standard of value to facilitate exchanges. Governments may go a step further, and confer on individuals or associations the right, or it may itself exercise the right, of issuing paper-money, without producing derangement in the ordinary course of exchanges, if the right is so restricted, or regulated, that the paper issued may at any moment, with perfect certainty, be exchanged for coin. But if the right is so unregulated as to authorize the issue of paper, which does not, in fact, represent an equal sum in specie—if, in other words, the paper is practically unredeemable in specie, the proposition must be taken in another sense. It is then the duty of the Government to regulate the currency by restoring it to its normal state, and by banishing from circulation all paper, which is not supported by a basis of specie. This, I apprehend, is our condition in the United States. Nearly all the thirty-two States of the Union have created banks, and authorized them to issue bills for circulation, without requiring them to keep on hand an amount of specie at all proportioned to the amount of bills issued. Some of the States have fixed the proportion, which the liabilities of a bank shall bear to the specie to be kept in its vaults; but I believe there is no instance in which a bank has been required to keep in deposit an amount of specie equal to the amount of bills it issues. Some of the States, like New York, have been satisfied with making the banks give security in stocks or mortgages for the ultimate redemption of their bills; but it has more than once happened that these securities have been from depreciation, or from their original insufficiency, inadequate to the full payment of the bills, which they were intended to protect. In a word, I believe there is not a single State, which has created banks without violating the law of exchanges, by authorizing a currency practically irredeemable in specie.

To this cause is no doubt to be traced the severity of the revulsions, which have taken place in the currents of business and enterprise. I do not regard it by any means as the sole cause of these revulsions. In a country like ours, with unoccupied spaces vast in extent, and with a perpetual flood of immigration from other countries, over-action is inevitable. We could not hope to escape it even with a pure metallic currency. But no one will deny that the excessive emission of paper money which has marked great crises in our commercial condition, has given an unnatural stimulus to speculating enterprises, by extending credits inordinately, and has rendered the reactions, by which all over-excitement is followed, far more disastrous and fatal in their consequences.

I have made these general observations with a view to open and consider more intelligibly the question, which chiefly concerns the friends of a sound currency—how are existing defects to be remedied?

Let me say first, and at the outset of the inquiry, that I discard as inadmissible in any sound or practicable plan of reform, the interposition of the General Government, so far as respects the supply of a circulating medium, except by coining money, and by requiring its coin to be received, kept and paid out by its own officers and agents in its own transactions. Any scheme by which the Government should be made the depositary of coin from individuals, issuing to them certificates to be used as a currency, or emitting bills of credit, except when it is reduced to the necessity of borrowing and giving its stocks or treasury notes to the lenders, would only add to the evils we desire to remove. Besides, no Government should be intrusted with the specie of the country, except to the extent of its own revenues. The people themselves, and banks properly regulated, are the best custodians of their own treasure. There is an attraction in Government authority and in "the odor of nationality," which makes them, in certain circumstances, the most dangerous instruments of inflation. It is true the issue of paper in this case would be supported by an equal amount of specie. But all history teaches that mismanagement is not the vice of individuals only. Some of the grossest acts of improvidence and bad faith in financial matters, have been committed by Governments. With enormous means in their hands, they are, under pressing necessities, in as much danger of abusing their trusts as any other body of men. The pecuniary means of this city would be far safer, in a long course of years, under the entire direction and control of its own merchants and bankers. With a sound system of banking, the Government would quite as often need their assistance as they that of the Government. With their treasure in the hands of the Government, in the event of a public convulsion, (and who dare say that our country shall be exempt from national calamity in any form?) they would be entirely at its mercy.

There are other grave objections to such a scheme. It would make the Government the custodian of private property, and impose on it a class of responsibilities, which can with no propriety be cast upon it. It might be a convenience to capitalists if the Government would take their money, and be responsible for it, issuing in exchange its notes or certificates, which could be used as currency; but it seems to me that it would be in violation of all sound principles of government as well as finance. I believe it would be entirely useless to bring forward any such scheme; for it can never, as I think, receive the sanction of Congress; or if it should, it would be speedily abolished. The people of the United States are every year becoming more strongly wedded to the existing system—I mean the receipt, custody, and payment of the precious metals by the Government in its own transactions; and any law making innovations on it, by authorizing the emission of paper on deposits, whether public or private, would, I am confident, be promptly repealed.

While on this subject, let me say a word in regard to the Independent Treasury, as it is usually called. As all know, the primary object in establishing it was to secure the funds of the Government from the effects of commercial derangement, by giving the custody of them to its

own officers. Its revenues had been previously deposited in banks; and in more than one instance, the Government, by the suspension of its depositaries, had been unable to command or obtain them for its own uses. Though security was the chief object of the Independent Treasury, it performed an office of the highest importance to the community. The funds of the Government, while in the custody of the banks, were, like deposits by individuals, made the basis of loans and of issues of paper money. They contributed to the expansion of the currency as well as of loans and discounts; they gave an impulse to speculation; and, what was worse, in precise ratio of their amount. This was the most objectionable feature of the system. When the commerce of the country was most extended, and was running into hazardous speculations, the revenues of the Government were augmented in a like proportion; and these being deposited with banks were made the basis of new loans. Thus these causes acted and reacted upon each other, and produced in the commercial crisis of 1837, the most disastrous revulsion in every branch of industry and every channel of enterprise. The custody of the Government funds by its own officers, with no power to use them except for the payment of public dues on the drafts of the Government itself, has exactly reversed the action of the former system. When commerce runs into excess, the payment of duties exhausts the mercantile community of its pecuniary means, and thus checks overaction. On the other hand, when a reaction takes place, the Government vaults, replenished by previous excess, pour out their accumulations of coin in payment of the public dues, and thus break the force of the shock to the commercial community. In all this the Government is passive. It is the simple and natural operation of the laws of commerce—the best of all regulators. It is true the interposition of the Government by buying up its stocks and paying its debts before they were due, as was done under the present and late Secretaries of the Treasury, did great good. It relieved the mercantile interest, and in 1857 did much to expedite the return of the banks to specie payments. In any other mode the interposition of the Government would only have produced mischief. If it could have added to the currency except by releasing coin from deposit, or created new credits, it would only have prolonged the suspension, postponed the settlement of balances, and given new life to enterprises, which were best dead. I have dwelt on this subject longer than I intended, with a view to make a single remark more clear. If the Independent Treasury System had continued from the foundation of the Government without interruption to the present time, it would hardly have attracted the public attention. Great as are its advantages—I may say, vital as it is to the maintenance of sound financial principles, it would never have been appreciated as it is now. It is only as the successor of a system of financial administration full of evil to the interests of the community and the Government, that it has risen in our eyes to the dignity of an institution. It is not on this account less honorable to its author and his coadjutors in establishing it. It required not only uncommon foresight to anticipate all the benefits it has produced, but great courage to bring it forward in the face of long established usages and deeply rooted convictions.

Let me now, Mr. Chairman, return to the question of remedies.

If I thought there was the least probability of success, I would suggest the remedy, which consists most strictly with the proposition first stated—that no bank should issue notes for circulation beyond the amount of specie in its vaults. The State of New York has virtually adopted this principle, by requiring banks to deposit stocks and mortgages as security for the redemption of the notes they may issue; and it is intended that the security shall be equivalent in value to specie. It would certainly, therefore, not be a great step to require a deposit of specie instead of its equivalent in stocks and mortgages. But as it is the part of wisdom, especially in matters depending on public legislation, to bring forward what you may hope to carry rather than what you desire, I would suggest (what I have long advocated) the gradual withdrawal of all bank notes under the denomination of twenty dollars. This measure would have some advantage over a specie deposit in the vaults of the banks equal in amount to their circulating paper. To enforce the latter, it would be necessary to resort to a system of supervision by commissioners, whose vigilance it would not be difficult to elude; and I think such a system would be very likely to end in compelling the banks to deposit the specie, which formed the basis of their circulating notes, as they do now their stocks and mortgages, in the hands of a State officer. The other measure—the prohibition of small bills—would be preferable on all accounts. It would dispense with the supervision, which would be necessary, in case the banks held their own specie as security for the redemption of their notes, and with the agency of State officers as custodians, if the State held it. There is a principle also which should not be lost sight of. Paper should never be employed as a representative of specie when the use of coin is not inconvenient. For remittances bills of exchange are the proper medium. In the smaller exchanges coin is the proper medium. It is only in the larger transactions that paper has any advantage over it on the score of convenience. It may be laid down as a proposition not to be refuted, that no circulating notes under twenty dollars ought ever to have been permitted to be issued. The interest of the community demands that there shall be a broad basis of specie, not hoarded, with paper substitutes in circulation, but circulating itself among the people. It is only by such a provision that they can be protected from the evil consequences of over-action. I have already said that over-excitement and reaction are inevitable in the channels of business in this country; but with a copious infusion of the precious metals into the currency, their effects will be transitory and comparatively harmless, except to those who have rashly involved themselves in speculating enterprises. The only possible question that can arise is, Where is the line, at which paper should stop and specie begin? I have fixed it at twenty dollars. I would prefer fifty. I name the other limit as one more likely to be reached by legislation. It is one to which no reasonable objection can be opposed. Exchanges below it can as conveniently be made in coin as in paper. Gold coin of the value of twenty dollars weighs only one ounce and eight hundredths of an ounce.

The necessary consequence of the prohibition of bank-notes of a lower denomination than twenty dollars, would be to introduce into circulation coins to the amount of the notes withdrawn from it. It is well settled

that bank-notes and coins of the same denomination cannot, to any extent, be made to circulate together. The less valuable medium of exchange is sure to drive out the more valuable. If you have five dollar bills, you will have very few half-eagles. Bank-notes under twenty dollars constitute a very large proportion of the whole paper currency of the country. To that extent the amount of specie in the hands of the people would be enlarged, and it would give new solidity to the system of exchanges. It would aid it in resisting the tendency to over-action, and give it strength to weaken the force of revulsions. I would not advise a sudden withdrawal of all bank paper under twenty dollars. It should be gradual, in order to produce no derangement. The commercial system is like the human body. A bad habit may become so incorporated into it that wholesome correctives, hastily or rashly applied, would be dangerous. All notes under three dollars might be withdrawn in six months, under five dollars in a year, under ten in eighteen months, and under twenty in two years. The importations of gold from California, and coins which would come out from their hiding-places, would fill up the vacuum as soon as created.

To make the change complete, it would be necessary to prohibit the circulation of the notes of banks of other States of the same denomination as those which are withdrawn from the circulation of the banks of this State. There can be no difficulty in this if we pass an effective law. I have frequently passed through States, in which the circulation of small notes was illegal, without seeing a single one of the prohibited denominations. Pennsylvania and Virginia have prohibited the circulation of notes under five dollars, and none of this class are ever seen in either State. I speak from my own observation as to one, and from reliable information as to the other.

It has been suggested that the General Government might aid the proposed measures for the improvement of the currency by taxing State banks issuing notes under a certain denomination, or what is the same thing, requiring such notes to be stamped. Where is the authority to tax banks or bank-notes for such a purpose? The powers of Congress are limited by the enumeration in the Constitution of the United States; and we ought to look with great jealousy on all encroachments on the reserved rights of the States. Congress has power to coin money, regulate the value thereof and of foreign coin. It has no other express power for the regulation of the currency. It has power to lay and collect taxes, duties, imposts and excises; but all duties, imposts and excises must be uniform throughout the United States. It may tax to raise revenue, but not, as has been contended by some of the most distinguished interpreters of constitutional law, to regulate the pursuits of industry, or to direct or interfere with the employment of private capital. If it can tax banks or portions of their circulation for revenue, where is the authority to tax them for the regulation of the currency? Beyond coining money and fixing its value, the power to regulate the currency, if it exists at all, is a mere incidental power. If the power to tax for the regulation of the currency exists, it is also incidental, and is derived from the other. It is an incident to another incident, and is, therefore, two removes from the letter of the Constitution. The popular feeling is, and, considering the power of the General Government through its enor-

mously extended patronage, ought to be, in favor of confining it rigidly to express grants of authority. In July, 1797, an act was passed imposing a stamp-tax on notes, bills, instruments in writing, &c. In the following December, it was postponed to the succeeding July, and in April, 1802, it was abolished. When the original act passed, we were threatened with a war with France. Its object was revenue, and the debates on its repeal show that it was regarded as a war-measure, and as proper to be discontinued when the exigency, which had called for it, had passed away. In August, 1813, a tax was a second time imposed on bank-notes, bills of exchange, &c. We were involved in war with Great Britain, and a large class of internal duties was provided for at the same time, with the express provision that they were to continue during the war. In February, 1816, the act was continued indefinitely; but in December, 1817, it was repealed. In both these instances the tax was laid not only as a revenue, but a war measure, and affords no precedent for a tax not needed for revenue, but for the single purpose of regulating the currency. Such a proposition would stir up so much State feeling and so much of the spirit of strict construction in Congress as to make its success hopeless. At all events, the subject seems to me so environed with difficulties, as to make it wiser to resort to our local legislation for the great remedy we need—the direct prohibition of bank-notes under twenty dollars.

There is another measure of reform greatly needed. The commerce and the business of the country generally are not only stimulated to excess by the over-issue of paper-money, but also by discounting to extravagant amounts the paper of individuals. I have no doubt this power in banks should be regulated; that it should either be limited so as to bear a certain relation to the amount of their capital, or that they should be required to keep in their vaults an amount of specie bearing a fixed proportion to the aggregate amount of their circulating notes and discounted paper. The proportion fixed for the banks of Louisiana is perhaps as just, or as nearly so, in respect to them and the community, as any other. But I leave this question of detail to gentlemen whose knowledge of banking is superior to my own. Whether banks should be prohibited from discounting beyond a certain amount proportioned to their capital, is a different form of limitation, and involves other considerations. They certainly should be if the specie limit is left to their own discretion. But if they are required to have in deposit an amount of specie equal to one-third of their discounted paper and circulating notes, is it necessary that the power of discounting should be restrained? Would not the necessity of enlarging the specie basis with every extension of the line of discounts, be a sufficient check? Would not the loss of interest on the specie deposit render the transaction in most cases unprofitable? For instance, if a bank can loan \$300,000 at 6 per cent., but must in order to do so place specie to one-third of the amount in its vaults, to lie there unproductively, it will obviously receive but 4 per cent. on its loan. If the loan were a mere extension of credit on the books of the bank, against which it was understood that the depositor was only to draw in part, the bank might still make it profitable, and the only effective check must lie in a limitation of the amount of discounts by the amount of capital. I was very much struck by an expression in a paper read at your last

meeting.* I mean the conversion of debt into currency. It appeared to me to be not only an original, but a very expressive definition of the practice of discounting individual paper, and giving to the maker a credit as a depositor, on which he may draw his checks. It affords the most striking illustration of the wide difference there is between the amount of money held by a bank and the amount reported as deposits. That this power of creating currency by discounts is one of the most dangerous to the commercial community, is undeniable, and it should be restrained in some effectual mode.

Another measure of reform has been suggested, and one which I am inclined to think will prove a more efficient regulator of the currency than both the others, which I have considered. I allude to the establishment of a bullion bank. I understand this subject has been fully discussed at your meetings, and I will, therefore, only say, that under all its aspects, it strikes me as possessing an importance but yet imperfectly developed. I believe it will be second only to the Independent Treasury as a check upon over-action, by placing, where it can be with promptness and certainty reached, a large amount of the precious metals, which cannot be used as a basis for discounting, or, to use the phraseology of the paper just referred to, for the conversion of debt into currency. The certificates of deposit, which it will issue, will constitute a currency answering all the requirements of the highest evidences of value. Every dollar in paper will represent a dollar in specie, thus fulfilling all the conditions of a redeemable currency. If established, it should be under the auspices and direction of gentlemen known to the community for their integrity and prudence, and the amount of specie in its vaults should be ascertained, like that in the vaults of the Independent Treasury, by frequent periodical examinations. But I abstain from all suggestion of details. I only desire to state that no measure for ameliorating the condition of the currency has impressed me so strongly or favorably. I need not add, what I think must be obvious to all, that it can hardly fail to hasten the time when New York will become, what she is destined, soon or late, to be, the financial as well as the commercial centre of the civilized world.

There is one strong recommendation of this measure as a speedy and practicable one: it can be carried out by the merchants and capitalists of this city, without the aid of federal or State legislation. It is a remedy in their own hands, and its establishment would be a virtual declaration of financial independence. It would arm the city with power to correct abuses in the management of banks and to enforce the observance of sound principles in the use of commercial credit, far more effective than any which it could hope to acquire from the interposition of the Government. Above all, it would secure to the capitalists of New York the custody of their own treasure, instead of placing it in the hands of the Government, over which they could have no control, and which, in some great emergency of public need or danger, might be tempted to use it for its own purposes.

Only two questions remain to be considered. 1. Can the legislature of this State be induced to pass a law prohibiting the circulation of

* The paper alluded to was written by Mr. Carroll, of Boston.

bank-notes under twenty dollars? and 2. If it does, will the example of New York be followed by other States, so as to make the reform general?

I answer both these questions in the affirmative—the first without reservation, and the second with this qualification: that the example of New York would control the States having intimate and extensive commercial relations with her.

1. The people of this State are in favor of a sound currency, and their representatives in the legislature will, I have no doubt, act in accordance with the wishes of their constituents by adopting any reasonable measure of reform. The banks in this city are, I suppose, with few exceptions, in favor of the prohibition of small bills, and the city delegation will, it is to be presumed, be nearly, if not quite, unanimous in support of such a proposition, if it is brought forward. The only antagonist interest is to be found in the country banks, which derive much more of their profits from their circulation than their deposits, and which have usually opposed all propositions to reduce the former. I have no idea that their influence will be powerful enough to counterbalance that of the city banks, and the general feeling which prevails in the interior as well as in the city in regard to bank reform. A well-considered measure, properly advocated and discussed, would be very likely to be adopted at the approaching session of the legislature; or if defeated through the resistance of particular classes, which are too often in favor of the largest liberty to the smallest number, a succeeding legislature, elected in reference to this measure, would infallibly carry it. One thing is quite manifest: if the existing banking system is permitted to continue unaltered, with its inevitable vicissitudes of expansions and contractions; leading merchants and business men into excesses in seasons of abundance, and in sudden emergencies extracting from them, under the pressure of its own necessities, the means it has afforded them; disturbing the regular pursuits of industry; paralyzing enterprise, and taking from labor its accustomed employments and rewards; a feeling will ere long be aroused which will sweep away the whole fabric, and substitute for the circulation now furnished by the banks a currency purely metallic. Such a radical change in the existing system can only be averted by a submission on the part of the banks to a reasonable reform.

2. The example of New York, exercising as it does through its commercial ascendancy, and through its mercantile and pecuniary relations to all sections of the country, a powerful influence over them in all the transactions of business, could hardly fail to be followed by other States. We have more than one instance of her power in this respect—not a power exerted obtrusively or even with an effort, but a power exceeding all others—that of a conformity to the true laws of commerce. In 1837, when a convention of gentlemen from several of the States, numbering among them some of the first financiers of the country, and sustained by a great institution, the influence of which, though weakened, was still felt throughout the Union, declared that the time for resuming specie payments had not arrived, the banks of New York resumed; and, notwithstanding the authoritative declaration referred to, their example was speedily followed by the banks of other States. The same result succeeded the resumption of specie payments after the suspension of last

fall. It is not merely the moral power accompanying all right action: there is, if I am not mistaken, a financial principle involved in it. The financial *status* or condition of the State, in which the commercial transactions of the country centre, must, of necessity, it appears to me, control the condition of the States, which meet (I use the phrase in a financial sense) at the central point for the adjustment of their balances. No State, for instance, with an irredeemable paper currency, having intimate commercial relations with New York, could keep up the connection for any length of time, if the currency of the latter consisted of coin and paper convertible into coin at pleasure. The differences of exchange would absorb all the profits of the connection, and force the State with the inferior currency to conform to the standard of the superior. Would it not be so if New York were to withdraw from circulation all bank-notes under twenty dollars, and the other great commercial States having intimate relations with her should retain them? The effect, as I have already said, of withdrawing bank paper, is to enlarge the specie bases, and to infuse into the circulation a greater amount of the precious metals. There would, then, be so essential a difference in the specie basis in these cases, as to throw upon the States having the inferior currency, nearly the entire burden of every commercial derangement, and compel them, soon or late, to conform to the higher standard. There is nothing so sensitive as the instincts of commerce, or so keen in discerning the direction in which the true interest of a community lies; and if I am not entirely mistaken in my reasonings, and in my appreciation of the laws of trade, the example of New York in the respect referred to, would soon become the rule in every great commercial State in the Union. States isolated in position, and having little or no connection with us, might hold out against the proposed measures of reform; but their influence would be so slight as to be inappreciable in any estimate of probable results.

In connection with this subject, and before I conclude, let me refer for a moment to the suspension of 1857. When it occurred the country was in the highest condition of prosperity; it was, in fact, a complete anomaly. It grew out of a single, though a compound cause,—the over-issue of bank paper, the great extension of credits, and the over-trading and speculation, which are the inevitable consequences. In the prosperous condition of nearly all the great interests of the country, an early resumption was inevitable. There was no general depression; the industrial basis was undisturbed, and the country was full of the precious metals. The over-action was confined chiefly to two interests—the banking and the mercantile. By a reciprocal and sympathetic influence they had stimulated each other into excess—the banks by the manufacture of circulating notes and the extension of discounts, and the merchants by borrowing—borrowing largely, too, for purposes foreign to legitimate commerce. I do not censure either for thus transgressing the limits of a prudent use of their credit and resources. It is a species of transgression for which allowance should always be made by the statesman and political economist. Over-action is the inseparable companion of great commercial and financial prosperity: it becomes dangerous in its excess, when the ability to organize banks and the power to issue notes and discount paper are unrestricted. Under the

impulse of gain, banks and business men may always be expected, in seasons of abundance, to extend their operations beyond the bounds of prudence. It is the error of over-confidence, and for this I am not disposed to judge them harshly. That, which is the natural result of common motives of action, can hardly be imputed to individuals or associations as a reproach. The fault and the ultimate responsibility are in the law. It has not sufficiently restricted the power to extend credits by discounts, and to create paper for circulation as a substitute for the only legitimate representative of value—the coin of the country. I hold, therefore, that the reproach rests with the State and not with the banks—that the condemnation belongs to the law, and not to those who, under a mistaken confidence, have exercised, however unwisely and imprudently, the license the law allows them.

We may, therefore, with great propriety, ask the State to remove the evils it has itself caused; and I shall be much deceived, if a proper appeal to the legislature does not accomplish what you, Mr. Chairman, your associates, and the friends of a sound currency everywhere, so earnestly desire.

NOTE.—The author of the foregoing paper abstained from a full discussion of the relative powers of the Federal and State Governments in regard to banks, from the apprehension of extending it to an unreasonable length. He felt constrained, therefore, to refer to it in an incidental and very partial way. The whole power of regulating the currency, including the issue of circulating notes by banks, would, under a consolidated government, be exercised by a single set of rulers; whereas under ours it is divided between the central and local authorities. It is this division which constitutes the chief embarrassment in the adoption of sound measures in regard to the emission of a paper currency, and the extension of credit by discounts.

Steam Communication.—According to the Paris correspondent of the *London Times*, Mr. John Owen Lever, the founder of the Transatlantic Steampacket Line from Galway to America, was in Paris on the 8th ult., accompanied by a deputation of gentlemen, for the purpose of completing the arrangements by which telegraphic communication will be made from all parts of Europe to any part (possessed of a telegraph station) of the American continent in six days, at a fixed price. Mr. Lever is about to explain to the French Government the advantages which France would derive by adopting his line for the transmission of her mails, merchandise, and passengers to America and her possessions at St. Peter's, Newfoundland, where she has fishery rights. At present this school for the French navy, which is appreciated and fostered by the Home Government, is placed at least 20 days from communication with France, but as Mr. Lever's line is to carry the British mails to St. Johns, Newfoundland, his company could deliver the French mails at St. Peter's in seven days from Paris, thus placing the French Government in an equally advantageous position with the British. The French Government is already alive to the importance of steam communication with other parts of the world, and they understand the certainty with which increased commerce follows the regular, frequent, and rapid transmission of mails to colonial and foreign countries by the shortest routes which their geographical position will allow.

THE BANK OF PENNSYLVANIA.

(Established July, 1793—Failed August, 1857.)

It is a curious historical coincidence, that this institution, which closed its doors at the beginning of a panic, whose disastrous vibrations carried dismay and ruin to the remotest boundary of our city, should have opened them for the first time at the beginning of a calamity as fatal to public prosperity as it was to human life. Its rise was even more gloomy than its setting. It first opened its doors in July, 1793; but its efforts to do so, continued through seven preceding months, occasioned great embarrassment to the business community, as the specie necessary for it to commence operations was abstracted from the vaults of the only two banks then in existence here—the United States and North America. This loss compelled them to curtail their discounts, for in those days a wholesome equilibrium between circulation and coin on hand was carefully maintained. This pressure was aggravated by a multitude of failures in England, whose consequences were felt in Philadelphia, then the principal commercial city in the Union. The chroniclers of the day have left it on record that, during this period, multitudes of our citizens experienced greater pecuniary difficulties than had ever been known among us. But in July, 1793, the cloud showed signs of lifting, and daylight was perceptible beneath its lower outline. The new bank commenced business on the most generous and enlarged principles. The United States Bank simultaneously extended its discounts. The relief to the community was ample. It not only saved many deserving men from ruin, but it restored to business generally its former healthy tone. In the midst of this improved feeling the city was inundated with fugitives from the island of St. Domingo, who had fled from the vengeance of the negroes there, and landed on our wharves utterly destitute. The times had brightened so decidedly, that \$15,000 were contributed almost immediately for their relief. On the 26th of July the yellow fever seized its first victim. It spread rapidly, and enclosed the entire city in its deadly embraces. It broke up many of the first commercial houses, and occasioned losses too great to be even estimated. There was also a strong and steadily maintained infusion of the Quaker element in the direction and general management of the institution. The State had chosen it as its fiscal agent. These two circumstances gave it a character and standing which had no rival. It was regarded by the community as safe beyond question. Its stock was consequently sought by widows, trustees, charitable institutions, &c., as a superior investment. Perhaps no bank in Philadelphia could show so long a catalogue of investments by these classes. When the great crash of September came, it contained the following names:

	Shares.
Association for Colored Orphans.....	15
Philadelphia Board of Brokers.....	50
Contributors to Pennsylvania Hospital.....	48
Female Association for Relief and Employment of the Poor.....	3

	Shares.
Grandm Institute.....	30
German Society for Relief, &c.....	12
Insurance Company of the State of Pennsylvania.....	50
Mayor, Aldermen, and City of Philadelphia.....	12
The Magdalen Society.....	21
Mutual Assurance Company.....	150
Orphan Society of Philadelphia.....	24
Penn Mutual Life Insurance Company.....	60
Pennsylvania Fire Insurance Company.....	100
Pennsylvania Company for Insuring Lives, (in Trust).....	216
Philadelphia Dispensary.....	36
Society for Relief of Distressed Masters of Ships.....	33
Society of the United Brethren.....	76
First Moravian Church, Philadelphia.....	3
Trustees of Lower Dublin Academy.....	6
Trustees of the College of New Jersey.....	3
Trustees of Presbyterian Church, Warwick, Bucks county.....	13

This list contains 350 shares, which were held for religious and charitable purposes. In addition to these, the number of shares held by trustees, guardians, females, &c., will be seen by the following summary :

	Shares.
Held by Trustees.....	837
“ Guardians.....	78
“ Executors and Administrators.....	427
“ 212 Females.....	2,404
Religious and Charitable, as above.....	350

It will thus be seen how generally the stock was confided as an investment for women. The result also shows how dangerous it is for women to confide in any bank as an investment. But the temptation of a ten per cent. dividend undoubtedly influenced the advice which these unfortunate females received from their male friends. An income of \$24,000 per annum, distributed among two hundred and twelve women was suddenly annihilated by the stoppage of the bank. Many lamentable narratives might be given of the distress occasioned by the villainy which robbed them of their all. Many of these were widows, with families to educate and bring up. Stripped of their last dollar, they have been obliged to abandon comfortable homes, put out their children, and retreat to a single room. Even that single room could be kept only by working for it. Others, in old age, have been made dependants on the charity of friends. Some, fortunately having a portion of their means invested elsewhere, contrive, by great economy, to preserve a decent independence.

The havoc made of trust funds was also most disastrous. One trustee was the holder of 255 shares. The five classes of stockholders, particularized as above, held 4,096 shares. This stock cost them an average of \$120 per share, and represented a capital of \$491,520, all of which is hopelessly sunk. Other parties were holders of shares as follows :

	Shares.
William Thaw, Cashier.....	293
Chambersburg Bank.....	862
Thomas Allibone.....	199
George Philler, Cashier.....	1,798
W. C. Morgan & Co.....	239

The reader will have noticed that fifty shares were held by the Philadelphia Board of Brokers. Doubtless it must have struck him with surprise that such a body of men, notorious for their shrewdness, and whose whole business is that of dealing in stocks, should have been caught napping with such an investment on their hands. It is no credit to them, as guides for others, that they were thus so utterly ignorant of the true condition of the bank before its fall. No bank breaks without some premonitory warning to some individuals. The plundering which ultimately prostrates it is never done in a single night, but is generally the work of months or years. While the swindle is going on, there are always outsiders who either know the fact of its being a swindle, or discover indications, which cannot be mistaken, that a wholesale disaster is impending. It was so with the Bank of Pennsylvania. There were parties in this city who knew, two years before the event, that unless ALLIBONE was superseded by an honest man, the bank must fail. Why, it may be asked, did these parties hold their peace? It is believed they did not. It was no duty of theirs to make proclamation of what they knew. Yet, it is believed that honorable men, possessing this information, did purge themselves of all apparent complicity with what was going on, by communicating to others, holding the power to apply the proper remedy, a full, authoritative, and timely warning. Why that friendly warning was disregarded may be explained hereafter. Those who gave it, satisfied that there was ground for it, quietly sold out their stock, and gave confidential warnings to their friends to do the same. Yet, with all this undercurrent of sinister feeling towards the bank, no whisper of it reached any member of the Board of Brokers. Such must be the fair presumption from the circumstance of their continuing their investment until the institution closed its doors. At this late day recrimination would be useless.—*Philadelphia Press*.

CHANGES IN BANKING.

MANY changes in the banking systems of different States are now taking place, which, from their importance, deserve the attention of thinking men. These changes are being made after the experience of the past year, and are designed, in many cases, to avoid obstructions to safety similar to those which have caused the disasters of 1857 and 1858. In other cases the changes are the natural ones of the new States creating local currency to take the place of foreign and "wild cat" currency, these being the peculiar and inevitable results of too stringent, or an absence of proper banking laws. These changes, which are intended to accomplish such important ends, and which will soon be working elements in our financial system, should be chronicled, and well considered. The first of these changes is the establishment of the Bank of Mutual Redemption in Boston, through which it is intended by the New England Banks to keep the power and profits of the system of par-redemption of the New England Banks under their own control. The principle is a correct one, to keep the power and responsibility and profits in the same hands. In the practical working of this Bank, more properly agency, a restraining power, namely, that of the

separate interest of the Suffolk Bank, will be lost; greater stringency therefore in the rules, and caution in the management of the Bank, should compensate for this loss. This system of par-redemption so successfully carried out by the Suffolk Bank, should be introduced into our New York banking system. No disinterested financier can doubt the advantages of par-redemptions, both to country and city Banks, the only question is its practicability, especially in regard to the expense. This has been favorably decided in New England, and New York should not be backward in having its banking system as perfect as any other, at least not until a fair trial be given to the system which has worked so well in New England.

A contemplated change is the establishment of a "Bullion Bank" with a capital of one million of dollars, whose object will be to receive deposits in bullion only, making a slight charge to depositors to defray expense, and discounting only upon its capital. We question the success, as regards profits, of such a bank, for not many depositors will pay for the privilege of making deposits, when banks like the Bank of Commerce, with eight millions of dollars in capital, will do the service gratuitously. It seems, however, a settled determination to try the plan, and to this there can be no objection, and a conservative spirit may be extended by the existence of such a bank. It would probably be a favorite bank of deposit for many Southern and Western bankers who seek for safety, and not profit, through their New York correspondents.

The most marked changes are in the passage of new Banking Laws by the Western States, and the establishment of Banks under them. The Free Banking Law of Massachusetts, which was passed in 1851, has, until now, been inoperative. The formation of the Bank of the Metropolis of Boston, under this law, will demonstrate its utility, and decide whether the Free Banking System, which has been so successful in this State and some others, can be generally introduced into the New England States. The late adoption by so many States of this system, and its general success when properly framed, make it probable that it will become the general banking system of the country.

At the present time, the New England States grant charters to Banks, with slender restrictions as to issues. Virginia, Tennessee, and Ohio have Joint Stock Banks without, and others with circulation, based on State Stocks. In Ohio, the restrictions are so onerous that Banking capital is driven out of the State. In Tennessee, a committee appointed by the Governor, recommended not to re-grant the Bank Charters now in force, and in lieu to pass a Banking Law securing a convertible currency. The States that now have Free Banking Laws are Massachusetts (1 bank), Vermont (3 banks), Connecticut (none), New York, New Jersey, Illinois, Indiana, Iowa (law just passed), Louisiana, Michigan (law to be voted upon in November), Minnesota (passed this year), Missouri, and Wisconsin. The Louisiana Free Banking Law is conceded to be the best, and the only one which practically secures a specie redemption. The others secure bill-holders only against ultimate loss by deposit of State stocks with a Bank Department. The Southern States have generally chartered State Banks with branches, and recently Iowa has passed an act authorizing a State Bank. There is not in the most of these States security for the bill-holders beyond the value of the charter, and this is valueless when banking ceases to be a monopoly. Some few of the States have no Banks of Issue. These are Florida, Arkansas, California, and Texas. The last had until

lately one Bank of Issue (the Commercial Bank of Galveston), but this is now in liquidation. These States must soon have a banking system, and the success of the Free Banking system makes it more than probable that it will be generally adopted—taking that of Louisiana as the model.

The development of the resources of a State depends so much upon an adequate capital, that the absence of banks is a disadvantage next in order to having an illegitimate system. An illustration of the discrepancy which exists in different States in regard to banking capital, is shown by a statement of the banking capital of Providence and Cincinnati. These cities depend chiefly upon manufactures for their prosperity, and both equally need extended banking facilities for the prosecution of their business. In January, 1858, the banking capital circulation and population were as follows :

	<i>Banking Capital.</i>	<i>Circulation.</i>	<i>Population.</i>
Providence.....	\$15,000,000	\$1,600,000	55,000
Cincinnati.....	50,000	nominal.	200,000

The above comparison shows the effect in Ohio of too stringent banking laws in driving capital from a State. It may be argued that the reverse is a greater evil, but we question if a city or country ever suffered from an excess of banking facilities. An undue extension of credit or loose banking laws are entirely different from *bona fide* capital under liberal but proper regulation. As an instance of loose but unjust laws, we may cite an act passed for the taxation of banking capital in Cincinnati this year. The act was so unjust that it was resisted, and so loose that the collectors found no difficulty in construing the act to read "as it should have done." In that State, for some years, banking capital was taxed three separate times, and in other States the manifest injustice of the laws has prevented the introduction of capital. Among these unjust laws we can name those in regard to Usury, especially those of New York State, which impose a "fine of one thousand dollars and imprisonment for the misdemeanor." Can there be any doubt that with the discount rate of the Bank of England at $2\frac{1}{2}$ per cent., which rate was proposed at the last monthly meeting of the Directors of that Bank, and the ruling interest throughout this country at from 7 to 12 per cent. on undoubted security, that foreign capital would flow into this country in a greater degree than it now does, if it were not for the Usury Laws of the different States? We are making progress toward liberal and just banking and money laws, but there is much to be done yet, and not the least is to remove the too common idea that stringency is necessary to safety in our monetary laws.

NEW HAMPSHIRE.—A painter and dealer in paper hangings was arrested for stealing the keys of the Nashua Bank. He entered the house of the cashier through a back door, about eleven o'clock Saturday night, and remained there until Sunday afternoon at four o'clock. When the cashier arrived from church, he missed some of the keys to the bank, and immediately suspected that the most important ones were stolen. On looking in the bag where they are kept in a secret place, he found it filled with pieces of iron representing the keys. Not suspecting that the rogue would be in the house, a search was not made, but the daughter of the cashier having gone up stairs, looked under a bed and found the thief quietly enjoying himself with a luncheon. Help was called and he was secured. The keys were found in his possession. On examining the fellow's trunk, two bracelets belonging to the wife of Dr. Graves, whose house was entered a few weeks since in the same manner, and valuable property stolen, were found, which clearly identified him as the thief.

THE MINERAL WEALTH OF EUROPE.

From the Encyclopædia Britannica, 1852.

General View of the Mineral Wealth and Produce of the Principal Countries of Europe.

GREAT BRITAIN is among the favored countries in the world for the development of mineral industry, as well as for its mineral possessions. Fuel, the indispensable agent in the treatment of metalliferous ores, and the most powerful element in the production of motive force, is distributed, though unequally, throughout the three countries of England, Scotland, and Ireland. The coal formation in these three divisions of the British Empire occupies rich and widely-spread basins, several of which (especially those of Newcastle-on-Tyne, Scotland, and Wales), being situated near to the sea, which surrounds the whole country, are enabled to export the coal to those places in which the metalliferous ores exist in abundance; but in some districts (as in Cornwall), the absence of fuel renders the work costly and difficult.

The ores of iron, abundantly distributed in several of the coal basins, add greatly to their value. Each coal basin so situated has become the centre of a metal-working district, where numerous works produce iron at a price so comparatively moderate, that no nation has as yet been able to compete with us with any great success. The insular position of Great Britain allows the coal to be conveyed at a minimum cost wherever it is wanted, and is equally important in permitting iron or other metals to be shipped to any part of the world. Hence the importance of these particulars of situation, &c., is strongly shown when we state, that while England is thus enabled to supply her iron at a price which ejects all rivals from their market,—and while she exports annually upwards of 800,000 tons (her mean annual importation during the five years ending 1852 being 32,197 tons), and could supply the whole European continent,—yet, the quality of her iron is considered by foreigners to be but middling, and it is not applicable to the purposes for which she imports the finer iron; while for the manufacture of steel she imports from Sweden and Russia. The manufacture of steel is very backward in Russia. Asia and European Turkey take more than two-fifths of the Russian exported iron, England and the United States nearly two-fifths, and other countries somewhat less than a fifth.

From time to time a few conjectural estimates have been formed of the value of the produce of the British mines. Dr. Buckland, in his address to the Geological Society, in 1840, remarked: "The average value of the annual produce of the mines of the British Islands amounts to the enormous sum of £20,000,000, of which about £8,000,000 arise from iron, and £9,000,000 from coal." Sir Henry de la Beche, in 1851, stated, that "the raw mineral produce of Great Britain and Ireland is valued at £24,000,000 per annum, or about four-ninths of that of all Europe, including these islands; the coal being estimated at the pit's mouth, the iron in the pig, and so on."

The following is Mr. Hunt's estimate of the annual value of our produce of metals and minerals for two recent years, taken from the Government Geological Survey:

	<i>Value of British Produce for</i>	
	1853.	1854.
Iron (pig).....	£10,000,000	£29,500,000
Copper.....	1,500,000	1,229,807
Lead.....	1,000,000	1,472,115
Tin.....	400,000	690,000
Silver.....	210,000	192,500
Zinc.....	10,000	16,500
Coal at pit's mouth.....	11,000,000	14,975,000
Other minerals, as nickel, arsenic, sulphur.....	400,000	500,000
Total.....	£24,520,000	£22,575,922

The number of persons employed in British mining is as follows:

	<i>Men and Women of all Ages.</i>
Coal.....	219,995
Iron.....	26,106
Copper.....	21,169
Tin.....	14,764
Lead.....	21,769
Zinc, &c.....	174
Total.....	303,977

An analysis of this number affords the following particulars:

Males under 20 years of age.....	86,647
Males 20 years old and upward.....	208,520
Total males.....	295,167
Females under 20 years of age.....	4,994
Females 20 years old and upwards.....	3,816
Total females.....	8,810
Total males and females.....	303,977

The following table of the values of the metallic produce of different countries, shows the ratio of their production as compared with that of the United States and that of Great Britain:

<i>Countries.</i>	<i>Value of Metals produced in pounds sterling.</i>	<i>Ratio of production to that of</i>	
		<i>United States.</i>	<i>Great Britain.</i>
United States.....	£16,630,625	1.00	5.6
Great Britain.....	20,035,375	1.205	1.
Australia.....	8,214,167	.494	5.12
Mexico.....	6,350,000	.382	1.3
Russian Empire.....	5,258,338	.316	4.15
France.....	3,177,604	.191	1.6
Chili.....	2,738,333	.165	2.15
Rest of South America.....	3,370,000	.203	1.6
Austrian Empire.....	355,958	.147	1.8
Prussia.....	4,100,000	.121	1.10
Belgium.....	1,953,125	.118	1.10
Spain.....	1,670,087	.100	1.12
Sweden and Norway.....	1,137,687	.068	1.17
Saxony.....	303,125	.018	1.67
Hartz District.....	239,081	.014	1.86
Italy.....	173,437	.10	1.120
Switzerland.....	78,125	.005	1.240

An approximative attempt at exhibiting a complete view of the metallic produce of the world for 1854, has been made in the subjoined table by Mr. Whitney, an American.

TABLE OF METALLIC PRODUCE FOR 1854.

COUNTRIES.	Gold.	Silver.	Mercury.	Tin.	Copper.	Zinc.	Lead.	Iron.
	<i>Lbs. troy.</i>	<i>Lbs. troy.</i>	<i>Lbs. avoird.</i>	<i>Tons.</i>	<i>Tons.</i>	<i>Tons.</i>	<i>Tons.</i>	<i>Tons.</i>
Russia,	60,000	58,000	.....	.....	6,500	4,000	800	200,000
Sweden,	2	3,500	.....	.....	1,500	40	200	150,000
Norway, .....	.....	17,000	.....	.....	500	.....	.....	5,000
Great Britain, ...	100	70,000	.....	7,000	14,500	1,000	61,000	3,000,000
Belgium, .....	.....	.....	.....	.....	.....	16,000	1,000	300,000
Prussia, .....	.....	30,000	.....	.....	1,500	33,000	8,000	150,000
Hartz,	6	80,000	.....	.....	150	10	5,000	.....
Saxony, .....	.....	60,000	.....	100	50	.....	2,000	7,000
Rest of Germany	.....	3,000	.....	.....	.....	.....	1,000	100,000
Austria,	5,700	20,000	500,000	50	3,300	1,500	7,000	225,000
Switzerland, ...	.....	.....	.....	.....	.....	.....	.....	15,000
France, .....	.....	5,000	.....	.....	.....	.....	1,500	600,000
Spain,	42	125,000	2,500,000	10	500	.....	30,000	40,000
Italy, .....	.....	.....	.....	.....	250	.....	500	.....
Africa,	4,000	.....	.....	.....	600	.....	.....	.....
East India and	.....	.....	.....	.....	.....	.....	.....	.....
So. Asia,	25,000	.....	.....	5,000	3,000	.....	.....	.....
Australia, Oce-	.....	.....	.....	.....	.....	.....	.....	.....
ania,	150,000	8,000	.....	.....	3,500	.....	.....	.....
Chile,	1,000	250,000	.....	.....	14,000	.....	.....	.....
Bolivia,	1,200	130,000	.....	.....	.....	.....	.....	.....
Peru,	1,900	30,000	200,000	1,500	.....	.....	.....	.....
Ecuador & N.	.....	.....	.....	.....	.....	.....	.....	.....
Granada,	15,000	130,000	.....	.....	1,500	.....	.....	.....
Brazil,	6,000	700	.....	.....	.....	.....	.....	.....
Mexico,	10,000	1,750,000	.....	.....	.....	.....	.....	.....
Cuba, .....	.....	.....	.....	.....	2,000	.....	.....	.....
United States, in-	.....	.....	.....	.....	.....	.....	.....	.....
cluding Cali-	.....	.....	.....	.....	.....	.....	.....	.....
fornia,	200,000	22,000	1,000,000	.....	3,500	5,000	15,000	1,000,000
Total,	479,950	2,812,200	4,200,000	13,660	56,850	60,550	133,000	5,792,000

According to the estimates of Tegoborski (*Commentaries on the Productive Forces of Russia*, by M. L. de Tegoborski, Privy Councillor, &c., of the Russian Empire. 8vo. London, 1855, vol. 1, p. 213), the latest and most reliable Russian authority, the principal products of the Russian mines of gold, silver, platina, iron, copper, lead, zinc, coal, and salt, together represent a value of £5,460,000 sterling, of which more than 55 per cent. is gold alone. This estimate excludes the accessory products of the mines, —granite, malachite, gems and precious stones, &c., found in mountains of Siberia. With the addition of these secondary articles of the mines and quarries, the author carries the gross value of the whole productions of the Russian mineral kingdom to £6,333,333 sterling.

In Austria, the whole products of mines, salt excepted, on an average of the years 1841–1844 inclusive, represented a value of 22,102,000 florins. Adding the gross value of salt at 1 florin per quintal, the gross total product of the mines will be 27,602,000 florins, equal to £2,750,000 sterling.

Taking into account the progress of production during preceding years, the present total Austrian production is estimated at about £3,166,666.

In Prussia, according to statistical information published in the Berlin newspapers, the total produce of the mines amounted in 1848 to nearly £5,000,000 sterling.

In France, according to M. Schnitzler's statistics, founded on official returns, the total produce of the mines represented in 1843 a value of £16,640,000, and according to the progress of production assigned by this author, it may now be carried to about £16,800,000 sterling; but in the French estimates the produce of quarries and peat bogs, to the amount of £1,600,000, is included. It would appear, too, that M. Schnitzler's rates of valuation are much higher than those of Tegoborski.

Thus an approximative comparison may be instituted, from which it would follow that the produce of mines in Russia exceeds that of the mines of Austria in the proportion of 2 to 1; exceeds Prussia by more than a third; but attains only two-fifths of the mining produce of France, and is therefore, of course, greatly inferior to that of Great Britain.

BANKING ON SHORT DATED PAPER.

*Read by Francis Burrill, Esq., at a consultation on the Currency, in Clinton Hall,
New York, Nov. 24, 1858.*

ONE of the many evils of our Banking system is the practice of discounting long dated paper, which places the means of the Banks so much beyond their control, as to make them helpless in time of need, so as to bring great distress upon their dealers and general community. To illustrate this fact, we will suppose a Bank has loans on paper, extending through a period of eight months, of \$3,200,000, which is \$400,000 per month—a change in the money market from any cause makes it necessary to contract these loans to the extent of 10 per cent. within a month, which is \$320,000, leaving only \$80,000 of the receipts of that month available to its customers in fresh discounts; this reduction requires the dealers with the Bank to pay up, from other sources of supply, 80 per cent. of their maturing discounted obligations; or, in other words, to pay \$1,000, with only \$200 of new discounts; it will be readily seen that the almost total cessation of supply to its dealers must distress them greatly, if not destroy them, and be felt by the whole community; thus we have frequently seen a severe pressure for money to be the effect of only a moderate contraction in the aggregate amount of the loans of the Banks; it is not so much the amount of the contraction which causes the disastrous effect; it is because of the sudden and almost total suspension of customary discounts for the time being. Now we will suppose the same Bank, with the same amount of loans, holds paper maturing through a period of three months, which is \$1,067,000 per month
A like contraction of 10 per cent. within a month is 320,000 “
Leaving a surplus of receipts of \$747,000

available to its customers in new discounts; this requires them to pay up from other sources of supply but 30 per cent. of discounted obligations in the month while the Bank has power to make fresh discounts of 70 per cent.—the dealer pays up \$1,000, to meet which he has fresh discounts of \$700; this difference of \$300, or 30 per cent., would cause comparatively but little inconvenience; it would not distress any respectable dealer to obtain \$300 outside of the Bank, and there would be no serious disturbance to the money market. In both cases of illustration, the amount of contraction is the same, but the effect is widely different—in the power of the Bank it is surprising; it is nearly as 10 to 1, the one causing distress, ruin and general disturbance, the other is comparatively harmless, accomplishing a contraction of reasonable necessity, and passing over without serious inconvenience. If short paper alone were discounted, its effect would be most beneficial by shortening credits, increasing stability, and checking the expansions and sharp contractions of the currency, which destroys confidence and brings on a panic. Now if what has been stated is true, it is evident the practice of discounting long paper is most pernicious in its consequences. Unfortunately Banks look only to what appears to be their own interest, forgetting their duty to the public; an overweening spirit for large dividends is the chief cause of this, and all the evils of which we complain, and of the wide departure from sound principles of Banking; the inducement to take long paper is to maintain the interest charged to 7 per cent.; as the price of money declines, the Banks extend the time to 5, 6, 7 or 8 months; the true principle by which they should be governed, and what the public have a right to expect of them, as prudent and conservative managers of a mighty power, is to adhere to paper of reasonable length at its fair market price; if paper within 4 months date is not procurable at 7 per cent., it should be taken at 6 or 5, or 4 per cent., or the best rate obtainable, but under no temptation whatever should 5 to 8 months paper be accepted. In view of what has been stated, it appears very desirable that, if practicable, the Banks should be restricted to paper having not more than 90 days to run; many other valuable considerations might be presented on this subject, but it may not be necessary to say more to make it worthy of examination:—

1 to 8 months.....	3,200,000
Per month.....	400,000
10 per cent. contraction is.....	320,000 or 80 per cent.
Surplus means.....	80,000
3 months.....	3,200,000
Per month.....	1,066,666
10 per cent. contraction.....	320,000 or 30 per cent.
Surplus means.....	746,666

The difference is nearly 10 to 1.

THE LONDON STOCK EXCHANGE.

RULES FOR THE USE OF MEMBERS.

AFTER the charter had been granted to the Bank of England, and that establishment had obtained the privilege "of dealing in bills of exchange, the buying or selling of bullion, gold, or silver, or in selling any goods, wares, or merchandises whatsoever, which shall really and *bonâ fide* be left or deposited with the said corporation, for money lent or advanced thereon, or, in lending or advancing any of the moneys of the said corporation, and taking pawns or other securities for the same," and their interest in the capital stock, and interest, could be transferred, it may be supposed that a class of dealers would soon spring up to trade in such securities. It is therefore from this period that we may date the origin of that spirit of gambling which infested the city of London, at different times, and which gave birth to some of the most extraordinary frauds and delusive schemes, that were ever concocted by man in civilized society. The dealings in these securities attracted men of capital from all parts, and the Jews from Amsterdam, and other countries, ever attentive to pecuniary gain, without engaging in the uncertain profits of trade and industry, flocked in great numbers to the metropolis, and, to the present day, have ranked amongst the richest capitalists and speculators in the kingdom. These transactions were at first carried on within the walls of the Bank itself, where the system of jobbing was very extensively practised. The conditions of the Bank charter were such, as to give the greatest encouragement to every species of speculation, as the resources of the Crown were pledged as a security for the payment of interest on the original stock. In addition to these, the wars in which the country was engaged, during the reigns of William and Anne, afforded fresh scope for the cunning intrigues of gambling speculators; and amongst others, none afforded greater opportunities than the campaigns of the Duke of Marlborough, who was often accompanied by the wealthy Jew, Medina. This connection between the hero and the capitalist enabled the latter to gain thousands and tens of thousands, by means of the rapid despatches he obtained of the victories of the former.

It was about the year 1700 that the dealers in public securities were found to encumber the Bank by their increased numbers, and they changed their place of meeting to what is now known as "Change Alley," which was for a long time their principal place of resort. Of course there were no rules or regulations that bound these speculators together but such as were most conducive to their own individual gains. There were, however, two contending parties who frequented this place, the fortunate and the unfortunate speculators; and in their efforts to outwit each other the most disreputable frauds and practices were committed with impunity, till at last the whole country was roused against the dangerous infection, and stock-jobbing was described as a public nuisance, and more destructive to the nation than a pestilence.

But no abuse prevented the progress of these watchful speculators:

war, public extravagance, and the difficulties of the Government only gave new life to their hopes and pursuits, until the stock-jobbers became indispensable to the Government itself, although it was compelled to pass several acts to pacify the hatred which had been created throughout the country by their practices, and a bill was brought before Parliament by Sir John Barnard, in 1732, making time bargains illegal. But the attempt to put down speculation, when the Government itself encouraged the system of lotteries and other schemes for raising money, only afforded fresh facilities for gambling. An increase in business and in numbers subsequently induced the jobbers to remove to Sweeting's Alley in 1773, when several of the brokers came to a resolution to engage a room, to be called the "Stock Exchange," where any man might transact business by paying sixpence. Such was the history of the Stock Exchange of the above period.

The war which broke out at the close of the 18th century gave a fresh importance to this body; and the increasing transactions in which they were engaged gave rise to the formation of a committee, and subscriptions were raised to erect a building for the special purpose of dealing in the public stocks, and the spot chosen was Capel Court, where once stood the residence of William Capel, Lord Mayor of London in 1504. The first stone of the building was laid on the 18th May, 1801, which bears the following inscription:

"At this era, the first year of the Union between Great Britain and Ireland, the public funded debt had accumulated in five successive reigns to £552,730,924. The inviolate faith of the British nation and the principles of the Constitution, sanction and secure the property embarked in this undertaking. May the blessing of that Constitution be sacred to the latest posterity."

With the erection of the new establishment free admission ceased, and only members, who were elected by ballot, could be admitted as members by paying an annual subscription.

It was about this time that the Stock Exchange occupied a very important position in the State; for the enormous loans that were found necessary to carry on the war after the peace of Amiens, to its close in 1815, were principally effected through the instrumentality of its members; and hence the Stock Exchange became as essential to the Government of the day as the Bank of England.

It might have been supposed, that at the termination of the war, which had given scope to the most unlimited cupidity of speculators, would have diminished the influence of this body; but so far from this being the case, its members, ever active and vigilant, sought out new fields for enterprise, and the energies which were once directed to procure the "sinews of war," were now turned to the cultivation of peace, and directed to the development of industry and commerce, until England stands as pre-eminent in peace, as she was great and victorious in war. No sooner were the armies of Europe disbanded, than the English capitalists entered into various speculations in foreign loans, which, for the time, held out the most tempting inducements to the public. And although we have on record some of the most flagrant instances of the want of good faith amongst nations, indebted to the English creditor, yet we may safely affirm, that it was from British capital alone that the trade and commerce of the world received its first impetus, after the struggles of a twenty years' war.

The members of the Stock Exchange are still occupied with the same

laudable pursuits; and, we are happy to say, with greater caution in contracting foreign loans, and their ramifications extend to every known portion of the globe. Governed by rules and regulations, which are enforced with equal justice upon each of its members, their decision upon the character of any public scheme is regarded with the greatest interest.

Before we proceed to notice the constitution of this body, we will give a brief sketch of the new building, lately erected, for the purpose of carrying on business in Capel Court, where the one which we have already noticed formerly stood.

The new structure was built by Messrs. W. Cubitt & Co., after a design of Mr. Thomas Allason. In addition to the sum of about £10,000 for the cost of the edifice, the sum of £6,000 was laid out for obtaining additional space. And if the difficulties in this respect be taken into consideration, the New Stock Exchange may be reckoned as one of the handsomest structures of which the city of London can boast for transacting business. It stands in the centre of a large block of buildings, bounded by Bartholomew Lane on the south, Threadneedle Street on the east, and Throgmorton Street on the west; in the immediate vicinity of the Bank of England and the Royal Exchange. The chief entrance is through Capel Court from Bartholomew Lane; but there are other entrances through Threadneedle Street and Throgmorton Street. The area of the house contains about 75 squares, and affords space for 1,200 members. The centre of the building is covered by a spacious cupola, of 39 feet span, constructed with laminated ribs of iron. The light admitted through this dome gives a pleasing effect to the whole building. In addition to the "house," there are various other offices, such as committee-rooms, reading-rooms, refreshment-rooms, strong-rooms, &c., the whole of which are ventilated by two chambers at the basement, fitted up with coils of warm-water pipe, so that the temperature of the air is regulated, and admitted into the house about six feet from the floors, and the vitiated air is drawn off by an extracting chamber at the apex of the dome, heated by a gas sun-burner of 150 jets. This gas is so managed by day, that it is concealed by a screen of perforated metal, which can be withdrawn when required, so as to light up the house without any additional supply. The building was opened for public business on the 17th March, 1854.

The Stock Exchange, for the purposes of business, is regulated by a committee of thirty members, including the chairman and deputy-chairman, who, by Rule the 20th, have power to expel or suspend any member "who may be guilty of dishonorable or disgraceful conduct." The Stock Exchange recognize no transactions with any other parties than its own members; and every bargain must be in accordance with the usages of the "house."

The following is an epitome of the regulations of the committee:—

1. On the 25th of March, in every year, except it fall on a Sunday, a general meeting of the proprietors and subscribers is held, when thirty members are chosen by ballot, to form a committee, to act for one year in the room of those then forming the committee.
2. The committee, of whom seven shall form a quorum, shall have the management of all business, except that of the treasurership.
3. All decisions of the committee to be absolute and final.
4. At every election of members to serve on committee, every member

is eligible and entitled to vote, though his subscription may not have been paid up

5. When a vacancy occurs in the committee, notice to be given on the Stock Exchange, fixing a day, not more than eight days from the notification of such vacancy, for balloting for a new member. The ballot-box to continue open one hour.

6. No list to contain more or less names than the number of persons to be balloted for, and the scrutineers to report the result to the Stock Exchange, and to the committee.

7. The chairman, and deputy-chairman, to be chosen at the first meeting, who are to hold their respective offices until the ensuing 25th March. When neither of these are present, the meeting shall appoint a chairman, and in all cases on a division, when the votes shall be equal, the chairman shall have a casting vote.

8. The secretary and three scrutineers to be chosen at the first meeting of the committee, to hold office during their pleasure.

9. Ordinary meetings to be held every alternate Monday at one o'clock, commencing the first Monday after such annual election. But a special meeting may be called at any time by the chairman, or deputy-chairman, or in their absence or refusal, by five members of the committee, by giving one hour's notice, to be placed up in the Stock Exchange.

10. If seven members are not present, the chairman, or deputy-chairman, may adjourn the meeting.

11 & 12. The Stock Exchange to be closed on Good Friday and Christmas Day, in every year, and on every day appointed by royal proclamation, as a day of fasting or thanksgiving: but on no other day, without the order of the committee. And the committee shall meet at one o'clock on the day preceding a holiday at the Bank, to determine whether the Stock Exchange shall be closed on such holiday, or not.

13. The business of the committee to be divided into two classes: routine and special. The first to comprehend the reading of minutes, admission of members and clerks, fixing settling days, &c. The second, to investigate claims and other matters relating to the interests of individuals, or of members generally. And all printed notices of the meetings, posted in the "house," to specify whether the business is "routine" or "special."

14. No alteration to be made in any existing law, nor alteration to be made without previous notice being given.

15. No resolution of the committee to be valid until read and confirmed at the next meeting, except those which relate to the shutting of the "house," the admission of members, the readmission of defaulters, the fixing of settling-days, and cases which do not admit of delay.

16. All communications to the committee to be made in writing; and no anonymous letter will receive attention.

17. The committee will not entertain any question submitted to them by any one not a member of the Stock Exchange, against one who is a member, unless the party complained of shall have acted in the capacity of a broker to the complainant.

18. Members and their clerks must attend the committee for general purposes, when required, and give such information as may be in their power, relative to any questions under investigation.

19. The committee have the right to expel any of their own members,

guilty of improper conduct. But no member can be expelled from the committee, except there be a committee summoned for the express purpose, composed of not less than twelve members, two-thirds of whom must concur in the verdict.

20. The committee have the right to expel or suspend any member of the Stock Exchange, guilty of dishonorable or disgraceful conduct, or who may violate any of its regulations, or fail to comply with its decisions. But this cannot take place without summoning a committee for the express purpose, composed of not less than twelve members, three-fourths of whom must concur in the verdict.

21. Power is given to the committee to dispense with the strict enforcement of any of its regulations, at their discretion: but this can only be done by a committee specially convened for that purpose, to be composed of not less than twelve members, three-fourths of whom must concur in the resolution, and which resolution must be confirmed at a subsequent meeting, specially summoned, before it can become effective, when the same number must be present, and the same proportion concur in the resolution.

Admissions and Re-elections.

The premium for the admission of a new member is twenty guineas; and for a clerk of four years, ten guineas, in addition to subscription.

22. The committee may re-elect such persons as are eligible to become members for one year, from the 25th March.

23. Every new applicant for admission must be recommended by three persons, who have been members of the Stock Exchange, of not less than two years immediately preceding, and have fulfilled all their engagements; and each must enter into a security for £300, to be paid to the creditors of the applicant, in case he should be a defaulter within two years from the date of his admission. The exceptions to the above rule are, not to admit a foreigner, unless he has constantly resided in this country during the five years immediately preceding his application. And if the applicant has been a clerk in the Stock Exchange for four years previously to his application, then in that case two recommenders to be necessary, who must give security for £250 each.

24. A notice of the application, with the names of the recommenders, stating whether they are, or expect to be, indemnified for the engagements they enter into, to be affixed in the Stock Exchange, eight days before the applicant can be balloted for.

25. Any recommender who avows at the time of the admission of the applicant, that he was not indemnified, and subsequently receives an indemnity, in the event of the new member failing, shall be compelled to pay to the creditors such sum in addition to the original sum for which he had become security.

26. Members who recommend applicants are expected to have such a knowledge of their past and present circumstances, as to enable them to reply satisfactorily to any questions put by the committee.

27. The recommendation of a firm, or of one member of a firm allowed; but two members of a firm, one of whom is authorized clerk to the

other, cannot recommend the same applicant, nor can any recommend a person who is to become his authorized clerk.

28. A member cannot enter into partnership with, or become authorized clerk to either of his sureties, until a new surety be formed for the unexpired term.

29. No applicant can be admitted who is a bill or discount broker, or engaged in any business not connected with the Stock Exchange, or if he be a member of any institution in which dealings are carried on in stocks and shares; or if his wife be engaged in business.

30. No applicant is eligible for admission who is a clerk in any public or private establishment.

31. Objections made against the admission of an applicant, to be made to the committee by letter, previously to the ballot for his admission.

32. If any applicant for admission or re-election be rejected, such rejection to be conclusive for the year, ending the 25th March ensuing.

33. No applicant eligible for admission who has passed through the Bankrupt or Insolvent Debtors' Court, or who has compounded with his creditors, unless he has paid 6s. 8d. in the pound; nor then, until two years after he has obtained his certificate, or fulfilled his deed of composition. And no applicant can be admitted who has been bankrupt or insolvent more than once, unless he has paid his debts in full.

34. The re-election to commence every year, on the first Monday in March.

35. Every member desirous of being re-elected, to address a letter, according to a prescribed form, sanctioned by the committee, on or before the 4th of March, in each year.

36. Each individual in a partnership is required to sign a separate application.

37. Any former member, not having been bankrupt or insolvent, who shall have discontinued his subscription for one year, to be recommended for re-election by two members, but without security; and if his subscription be discontinued for two years, to be considered as a new applicant.

38. A notice of every defaulter, bankrupt, or insolvent, applying for re-admission, to be affixed, without recommenders, in a conspicuous part of the Stock Exchange, twenty-one days previously to his application being considered by the committee.

39. On the day on which the re-admission of a defaulter is to be considered, no other business to be brought before the committee.

40. The chairman of the committee, in addition to any other questions that may appear necessary, to put the following to the recommenders:—

Has the applicant ever been bankrupt? or compounded with his creditors? and if so, within what time? and what amount of dividend has been paid?

Would you take his check for £3,000 in the ordinary way of business?

Would you deal with him in £5,000 or £10,000 consols for time?

By Regulation 41, the chairman may put any other question he may

deem necessary to the applicant, amongst which he may put the following, the answers to be entered upon the minute book:

Is this your signature?

Have you read the resolution at the back of the letter?

Are you a British-born subject?

Are you of age?

Are you married? and is your wife engaged in business?

Partnerships.

42. In every year, a list of partnerships to be exhibited to the "house," as soon as possible after the general election, and all alterations to be communicated to the committee.

43. All alterations of partnership to be signed by the parties, and countersigned by the secretary, and posted up in the Stock Exchange.

44. No member of the Stock Exchange allowed to enter into partnership with any person who is not a member. Nor shall any member form a partnership until the liability of his recommenders shall have ceased, without the written consent of his sureties; such consent to be communicated to the committee.

45. Members dealing generally together in any particular stock or shares, and participating in the result, to be held responsible to the Stock Exchange for the liabilities of each other, and in any other description of securities, unless a written notice be forwarded to the secretary, specifying the particular stock or shares in which they deal on joint account. This rule applies also to members allowing others to deal with their stock, shares, or capital, and participating in the result. A form of the notice is prescribed.

46. Any member doing a private bargain with any individual member of a partnership existing on the Stock Exchange, keeping the account of such bargain separately from that carried on by the firm, both parties to be expelled.

47. The committee will not sanction any partnerships between a broker in the Stock Exchange, and a dealer in stocks or shares; nor allow authorized clerks of brokers to act as dealers in the Stock Exchange.

Clerks.

48. No clerk to be admitted without the consent of the committee, nor under fifteen years of age.

No person ineligible as a member, can be admitted as a clerk, with the exception of persons under age, not admissible on that account. No clerk allowed to transact business in the Stock Exchange, until he shall have been employed two years by a member.

49. Every member desirous of obtaining the admission of a clerk, to apply to the committee in writing, stating whether he is authorized to do business for money or time, and he and the clerk are required to attend the committee (without being specially summoned), at half-past one o'clock on the days appointed for "routine" business. If the clerk has been previously engaged in business, the name and address of the person, to-

gether with the name of the member applying for his admission, to be affixed in the Stock Exchange, eight days prior to the application being considered by the committee. And no clerk can enter the Stock Exchange, until his employer has been informed by the secretary that his admission has been allowed by the committee.

50. Every member to give immediate notice of the dismissal of an authorized clerk in writing to the secretary, who will communicate the same to the Stock Exchange.

51. Any member of less than two years' standing, applying for the admission of an authorized clerk, must first obtain consent in writing from his sureties.

52. A list of authorized clerks (distinguishing those who are members), and the names of their employers, to be affixed in the Stock Exchange.

53. Any clerk authorized or not, by the committee, doing business in his own name, either for money or time, in the Stock Exchange, and any member doing business with such clerk, they shall respectively be liable to expulsion.

54. Any member desiring to employ another member as his clerk, to apply to the committee, and he shall be liable for all engagements made by such clerk for money, whether made in his own or his employer's name. And if he authorize him to transact business for time, he shall be liable in like manner for the clerk's engagements. But if he do not authorize such clerk, he shall not be liable for his engagements.

55. Clerks of deceased members cannot transact business in the Stock Exchange for the remaining period of their employer's subscription, but the committee may allow them to attend for the adjustment of unsettled accounts.

56. Clerks of defaulters are excluded with their employers.

General Rules applicable to Stock Exchange Transactions.

57. Hours of business from 11 until 3 o'clock, except Saturdays, when business closes at 2 o'clock : and the committee recognize no bargains except those done within those hours.

58. All disputes between members to be referred to arbitration ; and the committee will not interfere in any disputes, unless arbitrators' cannot be found, or are unable to come to any satisfactory decision.

59. No member shall enforce by law any claim, arising out of Stock Exchange transactions, against a member or defaulter, except with the consent of such member, of the trustees of the defaulter, or of the committee.

60. No member to be obliged to take a reference for payment to a person not a member ; nor obliged to pay a non-member for any securities bought in the Stock Exchange.

61. Any member demanding bank notes in payment for securities, sold without a previous stipulation, must give notice to that effect before half-past 11 o'clock on the day of delivery.

62. When stock, or other securities, are sold for bank notes, payment to be made on delivery of securities on the bank receipts.

63. No member to present a check received from another member, except through the clearing-house, without the sanction of the drawer.

64. No bargain to be annulled, except on the ground of fraud; to avoid which, the committee recommend all bargains to be checked the following day.

65. The committee will not recognize any dealings in letters of allotment, either of loans, or shares in new companies.

66. Any member applying for stock, or shares of loans of public companies, and neglecting to pay the deposit, considered to have violated a contract.

67. No clerk to be allowed to apply for stock, or shares of loans of public companies, without the written sanction of his employer, who must be responsible for the payment of the deposit.

68. The committee will not decide any questions respecting the loss incurred in buying or selling out stock, or other securities, unless referred to them within 14 days from the date of purchase or sale.

69. The committee will not sanction, nor take any cognizance whatever of bargains made in any new bonds, stock, or any other securities issued by any foreign Government, that has not duly paid the dividends on foreign loans raised in this country, unless such Government shall have effected some satisfactory arrangement with the holders of such stock, bonds, or other securities, on which the dividends have been in arrear.

70. Buying in, or selling out stock, shares, or other public securities, must be effected publicly through the medium of a broker, who shall trace the transaction to the responsible party, and claim the difference thereon, except in the buying in, or selling out, English stock; in which case the bought in or sold out ticket shall be passed directly to the person against whom such sale has been made.

Rules applicable to Securities deliverable by Transfer.

English, India, or Bank Stock.

71. Every bargain made in the English stocks, when notice is specified, to be considered as made for the existing account.

72. The committee will not recognize any bargain done in English stock for a future account, if not effected more than eight days previously to the day fixed for the adjustment of the existing account.

73. An offer to buy or sell a sum of English stock at a price named, is binding on the party making the offer as to any part of it.

74. A member who has sold English stock without receiving a transfer ticket from the purchaser by ten minutes before 1 o'clock, can demand 2s. 6d. for each transfer fee; and on an account day, if the transfer ticket is not delivered by a quarter before 1 o'clock, the seller may claim of the purchaser 2s. 6d. for every £1.000 stock; and if he shall not receive a transfer ticket before half-past 1 o'clock on the day it was contracted to be delivered he may resell the same through the medium of a broker, and claim of the original purchaser any loss or charge incurred thereby.

75. A member who has purchased English stock, or other securities, on or for a particular day, which shall not be transferred, or delivered on such day, may buy in the same on the following day at 11 o'clock, through the

medium of a broker; and claim of the original seller any loss or charge incurred; and also one-eighth per cent. for the non-delivery of the stock according to contract; and this fine shall attach to all stock not transferred on the day for which it was bought, whether bought in or not.

76. Any member who has purchased English stock, on or for a particular day, shall not be obliged to wait for the transfer receipt later than a quarter before 4 o'clock, if it should not have been tendered to him before that time.

77. When English stock is borrowed without any stipulation as to the time of returning it, the borrower or lender may be called upon to deliver or take the same on the following day, whether it be a regular transfer day or not.

78. Purchasers of Bank, India, or South Sea Stock, may require, at the expense of the seller, as many transfers as there are even thousand pounds stock bargained for.

79. On each of the three days preceding the account, and on the account, the clerk of the house shall fix the making-up price of consols, by taking the average price between 11 and 2 o'clock on each of those days, and between 11 and a quarter to 1 o'clock on the account day, and no making up is binding unless at such fixed prices.

Rules applicable both to English Stock and English Stock and Shares of Public Companies.

80. A member having sold stock or other securities, and transferred or delivered the same in accordance with the directions of the ticket or directions of the buyer, can demand payment of such buyer; but if the seller apply to the member whose name is on the ticket, and is refused payment, or receives a dishonored check, the buyer is not exonerated, but liable to immediate payment.

81. Every member can demand payment of the difference of price between that marked on the ticket, and that at which the securities were sold, when the sale was below the price existing when the ticket was tendered; or, if sold at a higher price than the existing one, he can receive up to the price of the day.

Rules applicable to Shares and Stock of Public Companies.

82. An offer to buy or sell a number of shares is binding upon the member making such offer, as to any part thereof.

83. The committee will not interfere in a question where shares or stock are delivered in blank transfer.

84. All bargains in shares or stock when time is not specified, and all bargains made before 12 o'clock on name days, considered as made for the existing account.

85. Every member who has sold shares or stock, shall cause them to be transferred at the price marked on the ticket given by the purchaser; but the seller not to be compelled to take a ticket for stock or shares at a price not quoted in the authorized list during the account, unless the bargain represented by such ticket has been made within the two preceding accounts.

86. If a call has been made on registered shares, the seller to pay, and claim the same of the purchaser.

87. Every buyer of transferable shares or stock to pay the *ad valorem* duty and expense of conveyance: the tickets to state the amounts in which he desires to have them transferred (provided that no amount requires a stamp beyond £9 10s.), the seller to pay the expense of any subsequent division of the transfer.

88. Every member who has purchased shares or stock, and passed a ticket, to pay for any portion which may be presented, if the ticket should be divided, provided that it is not for less than ten shares, or in value than £200; and if the buyer have thus paid more for stamps or transfer fees, the excess to be paid him by the receiver of the original ticket.

89. Purchasers of stock or shares may refuse to pay for a transfer unaccompanied by coupons or certificates, unless officially notified that they are at the office of the Company. But stock or shares are not to be bought in until time is allowed the vendor to obtain the verification required.

90. If any question arise from the vendor having a larger coupon than the amount of stock conveyed, or only one coupon representing stock conveyed by two or more transfers, the coupon may be deposited with the railway secretary of the Stock Exchange, which shall be a valid delivery.

91. All parties passing names for railway shares converted into stock, and so quoted in the authorized list, to pass names as stock, and not as shares.

92. Every member who has to pay for stock or shares to pass a name before 12 o'clock on ticket day, either in the Stock Exchange or at the seller's office; should he fail to do so, they may be sold out, and the loss, if any, to fall upon him; should the ticket not be passed before 12 o'clock, the person receiving it to certify the same on the back thereof. The time for selling out from half-past 2 to 3 o'clock; the person holding the ticket to be responsible, if sold out on that day, unless originally passed before 12 o'clock. Should the stock or shares not be sold till the following day, the person who held the ticket at 3 o'clock the previous day to be liable, unless it had not originally been passed before 12 o'clock on ticket day. Every person passing a ticket should write on the back the name of the member to whom it is passed; if the ticket day be fixed for Saturday the time of selling out to be half past 1 to 2 o'clock, the person holding the ticket at 1 o'clock to be liable. Every person receiving a ticket "after 2 o'clock," or "after 3 o'clock" on name day, to notify the same on the back by drawing a line, or otherwise to facilitate the tracing when shares are sold out; any person neglecting to do so to be responsible for any loss incurred. A member dividing a ticket must retain the original ticket, that access may be had to it should any of the shares be sold out; and any member having passed the original ticket to trace it in the event of any of the stock or shares sold out.

93. Any member altering a transfer ticket for stock or shares, or improperly detaining it, to make good any loss incurred by it.

94. Tickets received on name days to be left until 1 o'clock at the seller's office.

95. When bargains have been made in stock or shares, and before

their completion, the holder shall have become entitled to a proportion of new shares or stock, the buyer to give notice to the seller that he will complete the bargain forthwith to secure the new shares or stock; but without such notice he shall not be entitled to them, unless a special contract be made at the time of purchase; and when parties have given continuation on shares or stock, they may require such bargain to be completed after sufficient notice on repayment of the money advanced, unless the lenders agree to the delivery of the new shares or stock attaching to the old ones.

96. The committee will not recognize any claim for new shares attaching to the purchase of old ones, unless notice be given in writing; and will adjudicate no dispute from non-delivery, unless brought before them ten days after the first settling day appointed for their delivery.

97. In the event of sales of shares which carry shares not issued, and cannot be conveyed by the transfer of old ones, the committee will, on application, fix a price for the settlement of the new shares; and until they are delivered, the purchaser can deduct the sum so fixed from the purchase-money of the old shares, or reclaim it if already paid.

98. If a member accepts an ante-dated ticket when tendered, he takes its liabilities; but if taken as an ordinary ticket, the liabilities to remain with the party putting it into circulation. And any party holding an undated ticket for shares is not liable for the loss arising from the shares having been brought in if the ticket has not been ten days in his possession.

99. A member who allows two days to elapse without exercising his right to sell out shares or stock, for which he has not received a name, has released the buyer from responsibility caused by the failure of the party through whose default the name was not passed.

100. If a name be not given when stock or shares are sold out, within half an hour after the sale, the transfer can be made in the name of the purchaser.

101. Registered shares, or stock not delivered within ten days, may be bought in against the seller at 12 o'clock on the eleventh day after the date of the ticket, and all loss incurred to be paid by him. The broker employed to buy in the shares to give one hour's public notice before such purchase; and if the purchase be not made within half an hour after the time fixed, the notice to be cancelled. Shares so bought in to be delivered by one o'clock the day following, or may be re-purchased for immediate delivery, without further notice, and the loss, if any, to be paid by the party causing such re-purchase; and in case any profit arise thereon, it shall be paid to the treasurer of the fund for decayed members.

102. Every member who allows fifteen days to elapse without exercising his right to buy in registered shares or stock, to be considered as having released the seller from responsibility caused by the failure of any party, by whose default they were not delivered. The right to buy in shares or stock is limited to the member whose name is on the ticket to pay.

103. Every ticket day the clerk of the foreign market to fix the prices of shares at 3 o'clock, at which all the accounts shall be made up, and the differences paid.

104. No person is required to pay for registered shares or stock presented after half-past 2 o'clock; or half-past 1 o'clock on Saturdays.

105. The committee will recognize no bargain in stocks or shares effected for any period beyond the end of the two ensuing accounts.

Rules applicable both to Transferable and Scrip Shares.

106. Shares in foreign companies, the certificates of which are required for payment of calls, or receipt of interest, dividend, or forms, not to be bought in while the certificates are out of the control of the sellers, the exact time for the delivery of such shares to be fixed by the committee.

107. Dealings in all shares to be ex-dividend or ex-interest from the beginning of the account following that in which the dividend has been declared, or the interest has become due.

Shares in foreign railways to be quoted in the London list of ex-dividend or ex-interest at a period which accords with the Bourse at Paris, so as to assimilate the dealings at both places.

Rules applicable to Securities deliverable to Bearer.

108. In all bargains in exchequer bills, the contract is for bills not filled up to order, except otherwise expressed at the time of making the contract.

109. No smaller numbers of scrip shares than five to be marked in the price list.

110. Foreign stock bought for any specified day, and scrip shares bought for any day, except the account-day, not to be delivered at, or before, half-past 2 o'clock on that day, may be re-purchased, through the medium of a broker, before 3 o'clock on the same or on any subsequent day, and any loss or charge incurred thereby to be paid by the original seller. But no foreign railway, or other scrip shares, shall be bought in on a settling-day, the buying-in being restricted until after 12 o'clock of the then following day; the loss, in such cases, to fall against the person who shall not have delivered the shares at 3 o'clock on the settling day; any person found not to have taken the numbers of scrip shares so bought in shall be required to trace out the responsible party.

English omnium or scrip not paid in full must be delivered on or before 2 o'clock.

111. A member having sold foreign stock or scrip shares for a particular day, which the buyer is not prepared to pay for by half-past 2 o'clock that day, may re-sell the same through a broker, and claim any loss incurred of the original buyer.

112. The committee will recognize no bargain done in foreign stock or scrip shares for a future account, except for a period beyond the end of the two ensuing accounts.

113. All bargains in French rents to be in certificates to bearer (*au porteur*), except otherwise stipulated.

114. An offer to buy or sell a sum of foreign stock at a price named, to be binding on the party making the offer as to any part thereof, not less than the following sums, and divisible by the same, viz. :—

£1,000 stock or scrip.

1,000 francs of French rentes,

£1,036 Russian stock,

or any other foreign security representing about £1,000 stock.

115. Every bond or scrip share to be considered perfect, except materially damaged or torn, or the wording obliterated; and in case any dispute arise on the point, to be left to arbitration. Where bonds or shares are delivered with irregular coupons, the committee will take no cognizance of complaint on the same, should they be detained by the purchaser beyond three days after delivery.

116. No bond or scrip share can be returned on account of imperfection if detained more than three days from that of delivery, unless the party passing it was aware of its being imperfect.

117. No member is required to pay for foreign stock or scrip shares, presented after 3 o'clock, or after 2 o'clock on Saturdays.

118. The clerk of the foreign market, at 12 o'clock on each of the two days preceding each foreign settling, to fix the making-up prices of all foreign stocks and scrip shares, by taking the then actual prices, and no making up to be binding except at those prices.

119. All bargains in foreign stocks or scrip shares to be considered for the existing account, when no time is specified.

120. Bonds of British railways, or British American railways, the dividends being payable in England, in pounds sterling, are dealt in with interest from the day of delivery, and the accrued interest to be paid by the buyer; but in railway bonds of the United States of America, and of all other foreign railways, the accruing interest to be included in the price.

121. A member allowing three days to elapse without exercising his right of buying in scrip shares or bonds, to be considered as having released the seller from any responsibility, arising from the failure of any party through whose default the shares or bonds were not delivered, except such right has been waived by the seller.

The right to buy in shares or bonds is limited to the original purchaser.

Quotation of Prices.

122. A list of prices of English and foreign stocks, shares, and other securities, shall be published under the authority of the committee; and no securities can be inserted in that list, but by the sanction of the committee.

123. No price of English or foreign stock, or shares, or other securities, can be inserted in the said list, unless both parties to the bargain be members of the Stock Exchange.

124. All business in English or foreign stock, or other securities, done for the following or next transfer day, may be marked in the daily list of money prices.

125. The prices of stock, except bank stock, to be quoted without the dividend, commencing on the day after the shutting of each stock respectively.

126. Bargains in all stocks for the opening, made during the shutting, may be quoted in the official list.

127. Securities bought above, or sold below the market price, owing to the stamp rendering a sacrifice necessary, shall not be permitted to mark.

128. All bargains in foreign bonds permitted to be marked in the official list, may be quoted with or without coupons.

129. When a loan is contracted, the prices of omnium may be quoted for delivery of the receipts, and afterwards for money, and the next succeeding payment.

130. The prices of bargains done in the following amounts of stock may be quoted in the official list:—

£500 stock, in Government perpetual annuities.

£1,000 of omnium, or scrip.

£20 per annum of long annuities, or annuities for a term of years.

£500 of Bank, India, or South Sea stock, or annuities.

£1,000 in Exchequer bills, and India bonds; under that amount to be quoted separately, whether of £500, or any smaller amount.

£1,000 of foreign securities, stock, or scrip; or an amount representing £500 in money. If under that amount to be quoted separately.

131. All bargains to be quoted in the official list as they are made: and should any omission be inadvertently made, the clerks are to quote such bargains, if notified before 1 o'clock, in the order in which they were made, on a written application from the buyer and seller, stating the amount, time, and price at which they were made.

132. No price inserted in the official list can be expunged, except by the authority of the chairman, deputy chairman, or two members of the committee.

133. Shares of any new undertaking cannot be quoted in the official list, except on the personal application of a member, who must pledge himself for its respectability, and satisfy the committee of the same.

134. No shares of any new mining company can be quoted in the official list, unless registered and delivered by transfer only; but the committee reserve the power of quoting the shares of such companies as shall fix an early day for registration and transfer.

135. No new railway, or industrial company governed by foreign laws, to be quoted in the official list, without official proof being given to the committee, of the legal recognition of such company by the laws of the country whence it emanates.

Settling-Days.

136. The committee to fix the settling-days for English stock, at least eight days previous to the settlement of the pending account; and those for foreign stock, shares, &c., for the succeeding month, at the first meeting of the committee, in each month; the secretary to give the usual notice.

137. The settling-day in omnium and scrip, to be two days prior to the respective days of payment of each of the several instalments.

138. The settling-day of omnium or scrip for the redemption, to be on the day previous to such redemption.

139. If the day of shutting or opening the transfer books of the Bank of England, East India, South Sea, or any other public company be altered, all bargains made for the day first appointed, to be fulfilled on the day finally determined by the directors; but the committee has power to award compensation to such parties as may appear to have sustained any injury by such alteration.

140. The committee will fix a settling-day for the shares of any new railway, or other industrial company, and order its quotation in the official list, if satisfied of the *bona fides* of the concern, and on the fulfilment of the following conditions :—

That the application (which must previously be laid before the secretary of the railway department of the Stock Exchange, and certified by him) be accompanied by a certificate from the secretary of such company, stating, that not less than two-thirds of the shares have been subscribed for, and the deposit paid thereon, such payment to be certified specifically by the bankers of the company; that the scrip or shares are ready for delivery; and that no impediment exists to the settlement of the account.

The committee will, notwithstanding, when deemed expedient, fix a settling-day for any new company, where the above conditions have not been complied with, provided the scrip, or shares, be ready for delivery; and no impediment exists to the settlement of the account; but the shares of such company cannot be quoted in the official list. And the secretary, in announcing to the Stock Exchange a settling-day for shares of a new company, must state in his notice whether it be fixed with or without the authority for its insertion in the official list.

The remainder of the rules and regulations apply to the failure of members and their readmission to the Stock Exchange, and to the official assignees, whose duty it is to examine the accounts of defaulters. In order to appreciate the standing of defaulters, the committee divide them into three distinct classes, as follows :—

The first class to be for failures, arising from the defection of principals, or other unfortunate vicissitudes, where no bad faith or breach of the regulations of the "House" has been practised; where the operations have been in reasonable proportion to the defaulter's resources, and his general conduct irreproachable.

The second class for cases marked by indiscretion, and the absence of reasonable caution only.

The third class when the defaulter is ineligible under either of the former classes; but whom, nevertheless, the committee may not feel warranted in excluding entirely from the Stock Exchange.

The final decision of the committee, in each defaulter's application, is notified to the members in the usual way, and remains posted up in the Stock Exchange for thirty days.

The scale of remuneration to the official assignees is fixed as follows :—

On the first £1,000 collected,	4 per cent.
From £1,000 to £5,000,	2 "
From £5,000 to £10,000,	1 "
From £10,000 and upwards,	$\frac{1}{2}$ "

The opinions which are entertained by persons unacquainted with the regulations which govern the transactions of the members in the Stock Exchange are not of a very flattering character; but the rules which are laid down for the government of that body, afford some very useful lessons to our law makers, as well as to public companies generally, for the protection of individual and collective integrity amongst the members.

The settling-days in the Stock Exchange, in English and foreign stocks and shares, are twice in every month, the middle and the end.

The settling-days in consols, once in every month, generally near the middle.

Technical Terms.

The technical terms made use of in the Stock Exchange are almost peculiar to its members; that peculiarity often shows itself in the abbreviation of words. Amongst the terms frequently made use of are the following:—

Consols is an abbreviation of the term consolidated annuities, the prices of which rule, in a great measure, those of most other public securities. The annual interest is 3 per cent.

Omnium is a term which signifies the whole of the stocks, of which a Government loan consists, when two or more descriptions are given for £100 in money; and which may be made up of consols, reduced annuities, and long annuities, or of other descriptions of stocks.

Scrip is an abbreviation of the term subscription, and is applied to each of the stocks given in exchange for a loan, as consol scrip, reduced scrip, &c., and may be sold separately as such, until all the instalments of a loan are paid up, when the term is no longer applied to them.

The members of the Stock Exchange are called jobbers and brokers. The jobber is the dealer, who makes the price at the market value. The broker is the one who buys or sells to the jobber, for his principal, and takes his commission for transacting the business.

A *Bull* is one who buys to sell again at a higher price.

A *Bear* is one who sells to buy back at a lower price. Hence the constant use made of the phrases "bull" and "bear" transactions; or in other words, speculations for the "rise" and "fall."

A *Stag* is one who is not a member of the Stock Exchange, but deals outside, and is sometimes called an "outsider." These gentlemen not unfrequently write in a fictitious name for shares, and sell the letters of allotments. In the late Exchequer bond affair, a considerable number of this class are said to have sent in applications, which had to be cancelled by the Chancellor of the Exchequer.

Contango is the sum paid per share, or per cent., for carrying over such shares for a longer period than they were originally bought for, which is from one account to another.

Backwardization is when a party who has sold shares or stock, without having them in his possession to deliver, pays so much per share or per cent. for not being compelled to do so until the following account. The price of the shares or stock in either case being fixed at the market value at that time.

Options are dealt in with almost every description of stock and shares, but more generally in consols, and may be either a "put" and "call," or a "put" or "call."

A *Put and Call* is when a person gives so much per cent. for the option of buying or selling so much stock, on a certain fixed day, at a price fixed the day the option money is given.

A *Put* is when a person gives so much for the option of selling so much

stock, at a certain time, the price and date being fixed at the time the option money is given.

A *Call* is when a person gives so much for the option of *buying* stock, at a certain time, the price and date being fixed at the time the option money is given.

The value of options fluctuates according to the markets, or the amount of business there is doing, and they can be done from day to day, or for the whole account.

All option money ought to be paid by the principal to his broker, at the time the transaction is being done. If the price be the same at the expiration of the option time as the price fixed, the person giving the money is allowed to declare whether he buys, sells, or does nothing. The time that options expire each day is a quarter before 3 o'clock, and on Saturdays, a quarter before 2 o'clock.

The account option day is the day before the account day, or name day.

SELLERS AND BUYERS OF FOREIGN EXCHANGE.

An overwrought competition in any kind of business is apt to exercise demoralizing influences. In the foreign exchange business in New York, a sort of warfare, as to rates and brokerages, is on every exchange day carried on between sellers and buyers of bills on one side, and exchange brokers; leading to many an act on the part of either that could not stand the test of such strictly honorable principles as should ever prevail among high-minded commercial men.

Neither bankers and other sellers of exchange, nor importers and other buyers of bills, can entirely dispense with the services of the broker; and nevertheless, both these classes, with few exceptions, will avail themselves of every opportunity to deprive him of what is justly his due. There are bankers and other drawers of exchange, who, apprehensive on an exchange day of not disposing of all their bills, will not scruple to send their clerks to the very buyers, to whom brokers had previously introduced them; offering their bills less the brokerage; and there are importers, who, having got out of the brokers the rates of the day and the names of the drawers, will in the absence of the broker act on the information thus obtained, and purchase from the cheapest drawer direct, pocketing the broker's legitimate share.

On the other hand, the broker thus treated by his principals, and having, moreover, to compete with a host of keen fellow brokers, will, in order to gather at least some scanty gleanings from a sterile field, resort to various expedients not always of the most unexceptionable kind. Trusting to the chance of a decline in the rates, he frequently sells exchange before he has bought; or he purchases on his own account and resells. Such transactions savor much of gambling; they are contrary to the accepted notions of what is the province of a broker, and are in fact in some countries entirely forbidden. Or else, on the sale of £1,000 on which the legitimate brokerage amounts to about \$6, he will content himself with 46 cents. He will even go so far, in hopes of more profitable future orders, as to offer to yield

to the buyer any trifling brokerage conceded to him as an individual favor by the seller, thereby causing mischief between the two parties, if the buyer happens to inquire from the seller direct, and a similar concession is refused.

All these proceedings tend to lower the sensitive appreciation of fairness and honor, and to lower the respectability of a branch of commerce which has been heretofore considered as belonging to the highest class.

The importer or other bill-buyer who endeavors to obtain his exchange as cheap as possible, except when he takes improper advantages, is of course less to blame. It is true, in claiming brokerages from the seller, he follows a practice that does not prevail in the purchase of any other mercantile commodity; as, for instance, no jobber when buying goods from the wholesale merchant will ever think of asking a similar reduction; it is equally true that every dollar he thus saves he takes away from the living of a set of hard-working men; but all this cannot, as the world goes, be taken into consideration, the conclusive answer to any such remarks being, that "business is business," and that everybody has a right to save wherever he can.

It is, however, with the bankers and other bill drawers that the fault originally rests, in having quite unnecessarily changed what is a broker's charge, and nothing else, into a discount, indiscriminately granted to every buyer of foreign bills. By this change, whilst seriously injuring the brokers, they have caused a vast deal of constant annoyance to themselves, without the slightest equivalent gain.

Would it not be desirable to all parties, not excepting importers, that the system were thoroughly reformed? If the present rate of legitimate brokerage is considered too high, let it be reduced; but let bankers and other drawers agree to allow no brokerage except to brokers. Importers will soon become accustomed to the arrangement; they will, moreover, when the brokerage is curtailed to a mere trifle, scarcely for the sake of saving it, take the trouble of purchasing direct. Nor would the small additional cost of their exchange prove an actual loss; all importers being treated alike, none of them would have an advantage over the other, the said cost would, like any other charge, fall on their merchandise, and would be borne by their buying customers.

But exchange brokers also, have considerably to improve, or rather to purify, their system. In countries where, as in Britain and France, all brokers must be licensed, their number is limited, and the competition amongst them is less than here. With us, however, where no restrictive law on the subject exists, their number is legion, the plurality striving with might and main to take the bread from his competitor's mouth.

In order to redeem their calling from the degradation into which it is more and more subsiding, as well as to ensure a permanent benefit to themselves, they need only to form themselves into an association, binding themselves under a penalty, as is done at the Stock Board regarding the sale of stocks, to effect no sale of exchange without charging the brokerage, and that the rate of brokerage shall on no occasion be less than what, in consultation with the bankers, may be henceforth stipulated.

If bankers and brokers will agree on a faithful co-operation, the exchange business in New York will soon resume the respectable and reasonable position it occupied in former times.

To those who are in the frequent habit of purchasing bills of exchange on Europe, the calculation of the various rates of exchange is sufficiently familiar. There are others, however, who requiring only occasionally to provide themselves with foreign bills for remittances, are apt to be puzzled in the reduction of foreign currencies into American money, and *vice versa*. It is for their benefit that we offer the following explanation of the rates of exchange customary in New York :

The rate for British pounds sterling is based on a par value of $\$4.44\frac{4}{8}$ per pound. Each per cent. of rise or fall amounts to $4\frac{4}{8}$ cents per pound, or to $\$44.44$ the thousand pounds, and hence $\frac{1}{2}$ per cent. to $\$22.22$; $\frac{1}{4}$ per cent. to $\$11.11$; $\frac{3}{8}$ per cent. to $\$5.55$; £1,000 at 108 per cent. are equal to $\$4,800$; at $108\frac{1}{2}$, to $\$4,822.22$, and so forth. The rate in London is now $109\frac{1}{2}$ a $109\frac{3}{4}$.

By the quotation of 5.15 or $5.17\frac{1}{2}$ on France or Belgium, it is understood that the buyer obtains as many francs and centimes for the American dollar. In reducing 10,000 francs into our currency at 5.15, the former amount has to be divided by the latter.

The quotation on Paris at present, is 5.15 francs per dollar. All other European currencies are more simple of calculation, the quotations being in American cents for the foreign unit.

On Amsterdam the rate asked by banks this week is $41\frac{1}{2}$ cts. for each guilder.

On Frankfort,	do	do	$41\frac{1}{4}$ a $41\frac{3}{4}$ cents per guilder.
On Berlin,	do	do	$72\frac{1}{2}$ cents per thaler.
On Cologne,	do	do	$72\frac{1}{2}$ cents “
On Bremen,	do	do	79 cents per rix dollar.
On Hamburg,	do	do	$36\frac{1}{2}$ cents per mark banco.

“*He kept Resuming.*”—The Missouri Democrat is accountable for the following anecdote of a persevering Dutchman, in Louisville, who “kept resuming” as fast as he could “realize.” He evinced a good spirit, and set an example which might be profitably followed by some who are not Dutchmen :

At the height of the panic and run upon the banks and bankers in Louisville, a German banker of that city named John Smidt, found that he had paid out all his money, and that he was compelled to stop. Instead of writing a card for publication, he announced his suspension by a hand-bill affixed to his open doors, in which he said he had no money on hand, but expected in a day or two to make some collections, and that he would then resume payment. Accordingly in a day or two, another hand-bill appeared on his doors, announcing that he had collected some \$15,000, which he would pay to those of his creditors who should first call on him for it. This was soon paid out, and the first hand-bill again displayed, and in a few days he announced that he had collected some more money, which he was ready to pay on demand. This manly and straightforward course had the effect which was to have been anticipated. His German fellow-citizens seeing that John Smidt was in earnest about paying his debts, and was not disposed to higgler for an extension, concluded he was a man who ought to be sustained, and accordingly came forward and deposited the sums they had withdrawn, and induced others to do the same thing. At the last accounts there was no run on John Smidt. He was doing a perfect land office business, and was able to assist those who were in want by the money of those to whom his pluck had given confidence.

The banks and bankers of St. Louis, who have so long and courageously maintained specie payments in the face of all the panic, and after the fall of the great metropolitan city of New York, deserve to be sustained by the people, to whom they have proven true, as John Smidt was by his countrymen in Louisville.

BANKS OF THE CITY OF NEW YORK.

The following Statement exhibits the Capital and Reserved Profits of each Bank, according to the Quarterly Report, September, 1858; also the Dividends of each Bank for the Year 1858, and the Ratio of Specie to Deposits for the week ending Dec. 11, 1858.

BANKS.	Capital, Dec. 1858.	Profits, Sept. 1858.	Dividends, 1858.		Ratio of Specie.
			Per cent.	Per cent.	
Bank of New York,.....	2,754,650	112,729	3½	3½	31 9-10
*Manhattan Bank,.....	2,050,000	541,681	5	5	22 2-10
Merchants' Bank,.....	2,590,875	125,888	3½	3½	35 7-10
Mechanics' Bank,.....	2,000,000	285,342	4	4	28 3-10
Union Bank,.....	1,500,000	113,530	4	3½	19 2-10
Bank of America,.....	3,000,000	297,462	3½	3½	40 9-10
Phenix Bank,.....	1,800,000	197,084	4	4	27 6-10
City Bank,.....	1,000,000	134,571	4	4	46 3-10
Tradesmen's Bank,.....	800,000	67,517	4	4	26 6-10
Fulton Bank,.....	600,000	274,325	5	5	18
Chemical Bank,.....	300,000	600,866	6½	6½	33 6-10
Merchants' Exchange,.....	1,235,000	94,758	3½	3½	25 9-10
National Bank,.....	1,500,000	180,790	3½	3½	29 7-10
Butchers and Drovers' Bank,.....	800,000	74,172	5	5	13
Mechanics and Traders' Bank,.....	400,000	40,977	3½	3½	24 7-10
Greenwich Bank,.....	200,000	32,856	4	4	18 5-10
*Leather Manufacturers' Bank,.....	600,000	247,117	5	5	23 3-10
*Seventh Ward Bank,.....	500,000	122,898	5	5	21 9-10
*Bank of State of New York,.....	2,000,000	171,271	4	4	42 6-10
American Exchange Bank,.....	4,951,225	323,249	4	3½	33 5-10
Bank of Commerce,.....	8,770,420	559,927	4	3½	37 5-10
Broadway Bank,.....	1,000,000	338,537	5	5	22 5-10
Ocean Bank,.....	1,000,000	44,759	8½	3½	32
Mercantile Bank,.....	1,000,000	130,481	5	5	24
Pacific Bank,.....	422,700	82,839	4	4	21 7-10
Bank of the Republic,.....	2,000,000	290,362	5	5	37 2-10
Chatham Bank,.....	450,000	41,524	--	--	27 3-10
People's Bank,.....	412,000	33,805	3	3½	24 1-10
Bank of North America,.....	1,000,000	124,722	3	3½	30 8-10
Hanover Bank,.....	1,000,000	57,375	3½	8½	35 5-10
Irving Bank,.....	500,000	23,473	3	3½	20 4-10
Metropolitan Bank,.....	4,000,000	440,703	4	4	24 5-10
Citizens' Bank,.....	400,000	51,959	4	4	26 9-10
Nassau Bank,.....	979,200	22,929	3	3½	19
Market Bank,.....	1,000,000	68,564	--	4	25 5-10
St. Nicholas Bank,.....	748,000	29,076	--	3½	28 1-10
Shoe and Leather Bank,.....	1,500,000	244,941	4	4	40 5-10
Corn Exchange Bank,.....	1,000,000	59,752	3	3½	38
Continental Bank,.....	1,979,200	74,586	3	3½	24 4-10
Bank of Commonwealth,.....	750,000	46,248	3½	3½	21 4-10
Oriental Bank,.....	300,000	23,542	3½	3½	22 7-10
Marine Bank,.....	659,100	10,514	--	3½	22 7-10
Atlantic Bank,.....	400,000	18,321	--	3½	31 1-10
Importers and Traders,.....	1,500,000	127,998	--	4	19 8-10
Park Bank,.....	2,000,000	121,333	4	4	27
Artisans' Bank,.....	600,000	18,562	--	3½	20 6-10
*New York Dry Dock Bank,.....	200,000	2,906	4	4	32 9-10
New York Exchange Bank,.....	130,000	19,669	4	4	8 7-10
Bull's Head Bank,.....	173,300	14,120	4	4	13 6-10
New York County Bank,.....	200,000	12,723	3½	3½	13 7-10
Mechanics' Banking Association,....	316,000	29,064	--	--	29 3-10
Grocers' Bank,.....	240,000	37,410	--	--	22 8-10
East River Bank,.....	203,520	6,860	--	--	16 8-10
North River Bank,.....	316,000	--	--	--	34 4-10

* Chartered Bank.

† Quarterly.

THE LAW OF BILLS OF EXCHANGE AND NOTES.

I.—*Before the Court of Common Pleas New York. General Term.*

Judges DALY, BRADY and HILTON present.

Butt, Black & Guild *agt.* William Hoge & Co.

The plaintiffs brought an action on a bill of exchange of £2,000, drawn by the defendants on Hoge & Williamson, of Liverpool, which was protested for nonpayment. The cause was tried before Judge Brady. The plaintiffs, on the trial, produced the bill of exchange, which was admitted, and after proving service of notice of protest on the defendants, claimed judgment, computing the pound sterling at \$4.84, with ten per cent. damages and interest. The judge rendered a decision in favor of the plaintiffs against the defendants for \$10,903—being the amount claimed, with interest on the principal, and damages from the service of notice of protest. The defendants appealed to the General Term of this Court, and the judgment was there affirmed. The following is the opinion of the Court :

HILTON, J.—This action is upon a bill of exchange for £2,000 sterling, drawn by the defendants to the order of the plaintiffs upon a firm in London, accepted and subsequently protested for nonpayment. Upon the trial before Judge Brady, without a jury, it appeared that the bill became due and was protested at London on November 26, 1857. It reached the plaintiffs here by the first subsequent mail steamer, which arrived on December 14th, when the plaintiffs immediately went with it to the defendants, at their place of business, and saw William Hoge, and laying the bill and protest on his desk before him, informed him of the dishonor. Upon this proof the plaintiff rested, when the defendants moved to dismiss the complaint upon two grounds—

First—That the notice of protest was insufficient.

Second—That plaintiffs had not proved the amount due upon the bill. The judge denied the motion and gave judgment for the plaintiffs, computing the amount due according to the valuation put upon the pound sterling by the act of Congress upon that subject passed July 27, 1852, and which declares that in all payments by or to the treasury of the United States, it shall be deemed equal to \$4.84, and the same rule is applied in appraising merchandise where the value is by the invoice in pounds sterling.—Dunlap's U. S. Statutes at Large, 997.

The defendants ask to have this judgment reversed, and we are called upon to examine the question present at the trial—

First—No precise form of words and no particular manner was necessary to be used in giving the defendants notice of dishonor, nor was it required to be in writing; verbal notice was sufficient. (1 Chitty on Bills, 70; Story on Bills, secs. 382, 390; Cuyler *vs.* Steven, 4 Wend., 566.)

In all cases it is enough if the bill is described in the notice with such distinctness and certainty as will enable the party notified to ascertain from

it the particular bill to which it refers, and in addition imparts that the bill has been dishonored (Bayley on Bills, 253; 1 Chitty, jr., on Bills, 70; Stred *vs.* Brett, 1 Pick, 401; Smith *vs.* Whiting, 12 Mass., 6; Mills *vs.* Bank U. S., 11 Wheat., 431; Woodin *v.* Forster, 16 Barb., 146; Cayuga Co. Bank *vs.* Berden, 2 Seldon, 19). And it may now be considered settled upon the authority of well-adjudged cases, that when the notice is given by the holder or by his order, it need not inform the party notified that he is looked to for payment, because such may very reasonably be inferred from the nature of the notice, or otherwise it would not have been given (Bank of U. S. *vs.* Carneal, 2 Peters, 543, 533; 2 Kent Comm., 105; 2 Hill, 587, Ransom *vs.* Mack). The notice was clearly sufficient. With the bill on the desk before him, the defendant could not well be misled as to the particular draft which had been dishonored, nor could he mistake the object of the plaintiffs' calling with it, attached as it was to the notary's certificate of protest for nonpayment, which by statute (2 R. S. 284, sec. 55) is declared to be presumptive evidence of the facts contained in it.

Second—The bill being expressed in the money of a foreign country, the amount due on it was to be ascertained and determined by the rate of exchange on the value of such foreign currency at the time of such demand of payment. (1 R. S. 771, sec. 21.)

If, therefore, a single witness had testified on the trial that on the day the bill became due he purchased at a banking house in this city exchange on London, and paid for it at the rate of \$4.84 for a pound sterling, and that he believed was the market rate on that day, there probably would exist no doubt in the mind of the counsel for the defendants that such testimony, standing alone and uncontradicted, would be controlling evidence as to the value, and yet the evidence furnished by the act of July 27, 1852, was of a much higher character, and would far outweigh any evidence upon the subject of the value of a pound sterling in this country which could be furnished by the testimony of a witness. It is not evidence founded upon the arbitrary views of any particular man or class of men, but it shows a value fixed by the Federal Government in all its dealings with the public, and the current rate or value at which the pound sterling was and is received by its numerous officers, not only in this city and State, but throughout the country. The act being a public one, the Court was bound to have knowledge of it; and, in the absence of other evidence, it was conclusive upon the question of value. I see no error in the ruling of the judge at the trial, or in the judgment rendered, and it must therefore be affirmed. Judgment affirmed.

II.—PROMISSORY NOTE—PAYMENT TO PAYEE.

Before the Supreme Court of Tennessee.

Theodore H. Vetterlien *vs.* Howell, Turner and Humphreys.

If a party pay a negotiable paper before due, and fail to take it up, and it is afterward, and before maturity, negotiated in due course of trade, the assignee, being an innocent holder for a valuable consideration, would be entitled to enforce its payment. But if the note is taken in payment of, or as collateral security for a pre-existing debt, it is not negotiated in due

course of trade, and the holder would be subject to all the defences which might be made against it in the hands of the payee.

HARRIS, J.—On the 10th of March, 1856, defendants, who are druggists in Brownsville, Tennessee, executed to T. S. Brown & Co., of Philadelphia, their promissory note for \$208.50, due at six months. On the 15th of May, 1856, Brown & Co., the payees, assigned said note to the plaintiff as collateral security for the payment of a pre-existing debt, due from them to the plaintiff. At the time of the assignment, the plaintiff gave Brown & Co. no credit for the amount of this note on the debt they owed him, nor has he yet given any; but the agreement was that the "net proceeds of the note" should be credited on the debt of the plaintiff against Brown & Co.

The plaintiff gave no notice to the defendants, the makers of the note, of the assignment to him, and on the 30th of July, 1856, before the maturity of the note, the same was paid by the defendants to Brown & Co., the payees; and upon defendants refusing to pay him the amount of the note at maturity, the plaintiff instituted this suit for the collection of the same.

On the trial below the Court charged—"That if the jury should find that the note has been transferred to the plaintiff by T. S. Brown & Co., as collateral security, then, in order to entitle the plaintiff to recover, he should prove that he had given notice to the defendants of the transfer and assignment of the note to him by T. S. Brown & Co., previous to 30th of July, 1856." The plaintiff's attorney asked the court to charge "that if they find the note had been assigned to the plaintiff on the 15th of May, 1856, and previous to the payment made by the defendant to Brown & Co., they should find for the plaintiff, although the note may have been assigned to him to secure the payment of a pre-existing debt." This the court refused to charge, but charged as above. The jury returned a verdict for the defendants. A new trial was refused, and the plaintiff appealed.

It is now insisted that this charge is erroneous, and that the court should have charged as requested. The argument is, that if a party pay a negotiable paper, as this is, before maturity, and fails to take it up, he does it at his peril; and if it is afterward assigned before maturity, the assignee has a right to enforce its repayment.

This doctrine thus broadly stated is not maintainable. It is true that if a party pay a negotiable paper before due, and fail to take it up, and it is afterward and before maturity negotiated in due course of trade, the assignee, being an innocent holder for a valuable consideration, would be entitled to enforce its payment. But it is equally true, that if it is taken in payment of, or as collateral security for a pre-existing debt, it is not negotiated in due course of trade, and the holder would stand in no better situation than the payee, and would be subject to all defences which might be made against it in the hands of the payee. Upon this principle, the payment of the note by the defendants to the payee is as available as if the payees were the plaintiffs in this suit.

If the plaintiff had given the defendants notice that he was the holder of the note before they made the payment, and after such notice they had paid it to the payees, this would have been a payment in their own wrong, and would not avail them as a defence in a suit by the assignee. But if,

in the absence of such notice, they have, in good faith, parted with their money to the payees, in satisfaction of this note, though before its maturity, it would be unjust to compel them to pay it again in favor of a party who had parted with nothing for it.

This note was assigned to the plaintiff to collect for the payees, and, when collected, to credit them with the "net proceeds" on a debt he held against them. But should he never collect it, he will still hold his debt against Brown & Co., and will be in no worse situation than he was before he took the assignment. But should he recover it from these defendants, it would be compelling them to pay that amount to him on his debt against Brown & Co., to whom they have already, without fault, paid the money. Such a result could be supported upon neither reason nor authority. See *Van Wyck vs. Norvell, et al.*, (2 Humph R., 192,) and the authorities there referred to, where the doctrine is very fully discussed.

There is no error in the judgment, and it is affirmed.

FOREIGN BANK STATISTICS.

I.—AUSTRIAN BANKS.

NAME.	Capital.	Cash.	Circulation.	Bills Receivable.	State Securities.	General Securities.
Berlin Kassenverein,.....	1,000,000	1,340,000	647,000	1,213,000	88,000	1,099,000
Braunschweiger Bank,....	4,050,000	.....	.....	.....	.....	.....
Bremer Bank,.....	3,654,000	1,327,000	639,000	5,418,000	363,000	244,000
Danziger Privatbank,.....	1,000,000	305,000	760,000	1,274,000	58,000	250,000
Darmstädter Zettelbank, ..	3,429,000	128,000	341,000	495,000	755,000	1,104,000
Dessauer Landesbank,....	4,000,000	.....	.....	.....	.....	.....
Frankfurter Bank,.....	5,714,000	4,665,000	6,308,000	5,952,000	818,000	2,550,000
Geraer Bank,.....	2,500,000	485,000	1,160,000	1,726,000	255,000	657,000
Gothaer Privatbank,.....	2,000,000	331,000	825,000	1,481,000	273,000	218,000
Hamburger Vereinsbank, ..	2,000,000	2,340,000	.....	3,480,000	.....	440,000
Hamburger Landesbank,...	571,000	87,000	78,000	61,000	52,000	138,000
Hannoversche Bank,.....	3,600,000	373,000	464,000	1,033,000	.....	591,000
Kölner Privatbank,.....	1,000,000	300,000	893,000	1,394,000	2,500	210,000
Königsberger Privatbank, ..	1,000,000	410,000	866,000	978,000	30,000	475,000
Leipziger Bank,.....	3,000,000	.....	.....	.....	.....	.....
Lubecker Privatbank,.....	400,000	87,000	300,000	308,000	62,000	542,000
Luxemburger Bank,.....	4,266,000	80,000	62,000	524,000	686,000	208,000
Magdeburger Privatbank, ..	1,000,000	242,000	677,000	1,121,000	121,000	226,000
Meininger Bank,.....	8,000,000	222,000	494,000	285,000	.....	.....
Norddeutsche Bank,.....	10,000,000	2,016,000	.....	8,910,000	1,212,000	2,250,000
Pommersche Bank,.....	2,000,000	560,000	704,000	2,670,000	482,000	392,000
Posener Provinzialbank, ..	1,000,000	286,000	870,000	1,080,000	172,000	336,000
Preussische Bank,.....	15,000,000	52,096,000	69,792,000	58,302,000	6,264,000	10,555,000
Rostocker Bank,.....	1,000,000	.....	.....	.....	.....	.....
Thüringer Bank,.....	3,000,000	154,000	410,000	1,028,000	21,000	879,000
Weimarsche Bank,.....	5,000,000	1,090,000	2,410,000	2,777,000	467,000	985,000
Total, Thalers,.....	89,184,000	68,884,000	88,700,000	101,501,000	12,181,000	24,370,000

N. B.—Darmstädter, 30 per cent.; Hannoversche, 60 per cent.; Hamburger Vereinsbank, 20 per cent.; Luxemburger, 40 per cent. eingezahlt, die übrigen voll. Die banken mit nicht ausgefüllter Rubrik veröffentlichen keinen Ausweis.

II.—THE BANKS OF SWITZERLAND.

NAME.	Location.	Established.	Capital.	No. of Shares.	Amount of each Share.
			Fr.		Fr.
1. Bank in Zürich,.....	Zürich	1837	6,000,000	6,000	4,000
2. Leu & Co. Mortgagebank,....	"	1854	9,784,000	19,568	500
3. Canton Bank of Bern,.....	Bern,	1833	3,500,000	..	..
4. Bank in Lucerne,.....	Lucern,.....	1857	125,000	250	2,000
5. Bank in Glarus,.....	Glarus,.....	1852	500,000	1,000	500
6. Canton Bank in Freiburg,....	Freiburg,.....	1850	1,000,000	{ 3,050 a 250 a	500 100
7. Bank in Basel,.....	Basel,	1845	2,000,000	800	5,000
8. Basel County Mortgagebank ..	Liestal,.....	1849	500,000	1,250	400
9. Bank in St. Gallen,.....	St. Gallen,.....	1837	3,063,540	3,000	1,060
10. Bank of Aargau,.....	Aargau,.....	1855	2,000,000	10,000	200
11. Mortgagebank of Thurgau,....	Frauenfeld,....	1851	1,500,000	3,000	500
12. Canton Bank of Waadt,.....	Lausanne,	1846	2,900,000	2,500	580
13. " " Neufchatel,....	Neuenberg,....	1855	1,000,000	2,000	500
14. " " Commerce,....	Genf,	1845	3,100,000	3,100	1,000
15. " " Geneva,.....	" .....	..	2,000,000	2,000	1,000
16. Bureau of Discounts,.....	"	1855	1,500,000	1,500	1,000
			40,472,540		

NAME.	Emission of Bank Notes.	Average Circulation of Bank Notes.	Average Cash in per cents to due Debits.	Reserve Fund.	Reserve per cent.	Dividend.
	Fr. c.	Fr. Per cent.		Fr. c.		Per cent.
1. Bank in Zürich,.....	3,758,403 50	2,169,629	69	297,000 00	4.93	6
2. Leu & Co. Mortgagebank,....	..	..	..	989,692 86	10.11	5
3. Canton Bank of Bern,.....	869,800 00	687,074	..	..	..	5.49
4. Bank of Lucerne,.....	250,000 00	115,050	59	625 00	0.50	5
5. Bank in Glarus,.....	750,000 00	527,000	44	23,000 00	4.60	8
6. Canton Bank in Freiburg,....	304,560 00	267,623	..	47,080 95	4.70	7.60
7. Bank in Basel,.....	1,500,000 00	714,452	56	79,496 31	4.00	8.20
8. Basel County Mortgagebank,	..	..	..	54,416 04	10.88	6.37
9. Bank in St. Gallen,.....	2,205,850 00	1,637,508	56	308,878 69	10.03	6.83
10. Bank of Aargau,.....	400,000 00	276,226	60	44,600 00	2.20	6
11. Mortgagebank of Thurgau,...	500,000 00	328,390	..	85,150 30	5.67	5.66
12. Canton Bank of Waadt,.....	3,000,000 00	2,415,871	..	438,240 87	14.60	8
13. " " Neufchatel,....	2,000,000 00	1,105,590	..	13,600 00	1.36	6.60
14. " " Commerce,....	2,920,000 00	1,931,700	46	201,500 00	6.50	6.90
15. " " Geneva,.....	1,510,000 00	900,000	52	55,013 90	2.75	7
16. Bureau of Discounts,.....	..	..	..	98,563 50	6.53	7.66
20,028,613 50		13,136,113				

NEW PUBLICATIONS.

I.—*The Banks of New York, their Dealers, the Clearing-House, and the Panic of 1857. With a Financial Chart.* By J. S. Gibbons. *With Thirty Illustrations*: 399 pages, 12mo. Price \$1 50. New York, D. Appleton & Co.

Banking has always seemed to the public enveloped in mystery, and the working of the internal machinery of a bank is scarcely understood by many of the dealers who, by daily transactions in the shape of deposits, checks, loans, or drafts, give it its vitality. Here is a book which opens and elucidates the subject, detailing, specifying, and explaining the daily incidents and accidents of the business. The numerous attempts at fraud, forgery, or speculation, the means and vigilance employed to thwart them, the misrepresentations resorted to by a certain class of borrowers, the process of kiting or raising the wind, the watchfulness of the tellers and officers, the faithfulness of the humbler attachés, the scenes in the directors' room on discount day, and in the bank-parlor, all furnish matter for elaborate and lively illustration. The book is unique in its character, and furnishes a more graphic and readable account of the details and mysteries of the clearing-house and the banks of New York, than any previous publication. Of course it has its faults, such as a tendency to diffuseness and needless theorizing on the complex phenomena of the financial world, and the occasional manifestation of personal prejudices; but on the whole, the author treats his subject in a tone so genial, and in a style so colloquial and good-humored as to conciliate the favorable attention of every one but the parties who do not consider themselves "hit" in his pages. Mr. Gibbons, it is needless to say, has had a long experience in the business he describes, having acted as cashier in the Ocean Bank of this city for some years. We subjoin a few specimens of the contents of his work:

DISCOUNTING—BEHIND THE SCENES.

The cashier reads offering number two, by Bailey & Rush. This firm are in high credit with the bank, and their paper is of the first class. "Note of Sears & Co., three months to run, eighteen hundred dollars; and one of C. Jackson, sixty days to run, for four thousand five hundred dollars."

"Gentlemen," says the president, "if no objection is made, I will mark the notes of Bailey and Rush accepted. It is done. Let us have the next in order, Mr. Cashier."

"Joseph Chambers offers a draft of Green and Davis, of San Francisco, on Thrush & Co., of New York, and accepted—at seventy-five days, for five thousand dollars."

It is, perhaps, the first time that the paper of Thrush & Co. has been offered for discount in the bank. The president is entirely unacquainted with it. He asks for information.

Mr. Breckenridge knows something about them. "They began business

a year ago, with thirty thousand dollars capital—are said to have done a profitable trade in the produce line—had shipped heavily to California. The Co. was a young man who came out of Bacon's—the big packers on West street. Guess he hadn't much money—say five thousand dollars; but very smart. Thrush was the capitalist. Put in twenty-five thousand dollars, hard cash—about all he had."

"What age is he?"

"Thirty-five to forty."

"Man of family?"

"Oh yes! I've known him these twelve years. Got half a dozen children. You must know him, Mr. Groull! He married Stubbles' daughter, wine merchant, there at your corner. Guess he ran away with her, and made the old man mad. But they're all reconciled long ago, and now he's Stubbles' principal adviser in them new stores he's building in Murray street."

"Is that the man?"

"That's the man, sir."

"Well, who married Stubbles' other daughter?"

The president warns gentlemen that they had better not wander too far from the subject. The matter before the Board is, whether Mr. Thrush's note is good enough to be discounted.

"You said he was in the California business, Mr. Breckenridge!"

"Yes, sir. Made some very successful shipments there last spring."

"I've got mighty little confidence in California!" says Mr. Groull, "very little."

"It's a good way off, that's a fact," adds Mr. Breckenridge. "I'd rather do business with people that trade near by."

Mr. Groull speaks again. "Wouldn't touch it with a ten-foot pole. Bad line. Let it slide, Mr. President. We can do better with our money."

Some of the directors may have been listening indifferently to this rambling conversation; but the majority are otherwise engaged. One has seized on a morning paper, and all his thoughts are engrossed by the latest news from Europe. Another has just taken a fit to examine the statement book, and several are talking on their real estate prospects. Messrs. Breckenridge and Groull make themselves heard above the suppressed confusion of other voices. The president has tapped on the table with his pencil, but failed to restore order. To a person outside the door, it would seem as if the members were engaged in a general wrangle. Meanwhile, Mr. Marks, with a lively perception of the ludicrous, and skill enough to prove that he is not now practising for the first time, has sketched sundry odd figures on the blank page of a "tickler," and finishes by a caricature of the two gentlemen abovenamed, which he shows to his neighbor, and he to the next, and then follows an explosion of laughter, which breaks up all other distractions of the Board, and finally gives the president a chance to be heard.

"Come, gentlemen, come! we shall never get through our work at this rate."

* * * * *

"Shultz & Cooper offer three notes—Jacob Liston, forty-five days, six

hundred dollars; and two notes of Cobb & Walker, each one hundred and fifty, at two and three months."

Director Groull wants to know "where's the use of taking up time with that class of customers? They apply every offering day, and keep no balance of account. Let 'em slide."

"Has their account improved any of late, Mr. Cashier?"

"Not much, sir. They keep a balance of one or two hundred dollars, and have a thousand under discount."

"Letter R. Let's have the next."

"Hold on, Mr. President! Not too fast. These small men are of use to us. They ought not to be discarded too abruptly. They really want the money. Give 'em that little note of six hundred dollars. It will do them more good than twenty-five thousand does to Merrimack & Slater."

An agreeable personal acquaintance between the dealer and the director is the ground of this favor. The note is discounted at the request of Mr. Miller; none of his associates deeming it worth while to press an opposition in such a trifling case. But this class of applicants receive no consideration when there is a pressure of more deserving customers.

TROUBLES OF A CASHIER—A "TIGHT" DAY.

Eight or ten anxious customers await the cashier's release from Mr. Tarbox. Among them are some of his best personal friends. They will not be put off by his first assurance that the bank has no money to loan. Each one considers his case entitled to special attention, above all others.

"Good morning, Mr. Cashier."

"Good morning, Mr. A."

"I am very much surprised to find that my paper is not discounted, sir."

"Ah, my friend, I am sorry; but you see that others are in the same predicament."

"Yes, sir, but that gives me no comfort. I have my notes to pay."

"The Board did their best, Mr. A. Our receipts happen to be very small just now, and we have been sadly beaten at the clearing-house for three mornings in succession."

"Mr. Cashier, This paper is A 1. You have nothing better on your books. The amount is not large, and the time is short."

"It is impossible, sir, for the bank to discount it. We are obliged to turn away every application at present."

"Have you looked at my account?"

"I have not."

"Then you must do so, and consider whether I am not entitled to all that I ask."

"The Board of Directors have left me no discretion. They decided that it was not safe to loan a single dollar."

"My balance has not fallen below three thousand dollars for months past. I make no unreasonable request."

"It is true, sir, that your requests are reasonable, and that your account entitles you to a liberal line. But what can we do without the means of doing?"

"The whole amount of my accommodation for a year has been exceedingly moderate. I do not trouble you with incessant calls."

"That is so, sir, but—"

"Well, Mr. Cashier, I claim to be an exception to your general rule. You must discriminate between men who bore you to death all the time, and those who are reasonable in their demands. It is seldom that I ask you for discounts, and when I do, I want them."

"No doubt, sir; and I assure you that we have every disposition to treat you liberally. It is a very unpleasant duty to reject such claims as yours; but I tell you again, and I want you to believe me, that we have no alternative. We cannot move an inch."

"But, sir, you *must* move an inch! Do you pretend to tell me that you will enjoy the use of my balance of three or four thousand dollars, lending it out to other people, and then when I want to get a little loan myself, you will turn round and say you *can't*, and you have no discretion, and no power? What do I care, if you are short at the clearing-house? Does that pay my notes? Now, sir, I will tell you and your Board of Directors, that I am not a man to submit to such treatment."

"Mr. A., if you are a reasonable man—"

"If I am a reasonable man! I am a reasonable man, sir, and that's just the whole case. Because I am so I want my paper discounted. It is my right, sir, and I don't mean to give it up."

"Well, sir, it is your right, and I don't want you to give it up. But you must listen to me, while I put the matter to your own judgment—"

"I have settled it in my judgment already. I don't want to hear this stuff about the clearing-house! The clearing-house is nothing to me! my notes have to be paid—*that's* my judgment, sir!"

"Do you think, Mr. A., that I am made of gold, or that I can turn back the tides of the North River?"

"I know very well that you cannot change the market; but you can discount this paper."

"My dear sir, I cannot do it without endangering more and larger interests than yours. Our stockholders and creditors generally have rights as well as you. A failure to pay our balances at the clearing-house would be a fatal blow to our credit—equivalent to a protest! Our deposits would be withdrawn, and we could no longer keep your present discount line where it is, which we hope to do by a course of mutual indulgence with our dealers. There is no possible remedy for this state of things but to wait for the gradual maturity of our bills discounted. If you will bring me your paper some days hence, you will probably find us in better condition."

Mr. A. yields in a moment of cooler judgment. If the cashier, however, had treated him with a sullen refusal, making no explanation, he would have gone away in a fit of anger, and his friendly relations with the bank might cease.

This may be called the *science of contact*. In a tight market, bank officers are every hour brought into collision with the most imposing interests of commerce in the hands of men unaccustomed to denial, whom it is very desirable to conciliate, and very easy at such times to offend.

KITING, OR RAISING THE WIND.

At the moment when the cashier is again ready to resume his correspondence, a man enters the bank with a hurried step, and manifestly in a violent passion :

"Mr. Cashier, what kind of tellers do you keep in your bank?"

"We mean that they shall be gentlemen, sir."

Mr. Kight finds it very difficult to control himself. He thrusts his bank book before the cashier, and points with trembling hand to an entry which shows that he had that morning made a deposit of fifteen hundred dollars.

"Do you see that, sir?"

The cashier sees it.

"Well, sir—your teller has refused to pay my check for that amount, notwithstanding the money is to my credit! He has sent it back to another bank, and my name is dishonored, sir! Isn't this a pretty tale, that a man's credit is to be ruined by a miserable teller who doesn't know his duty!"

"I think he knows his duty, Mr. Kight. You have probably made a mistake yourself."

The cool manner of the cashier does not soothe his excited customer. He denies angrily that he has made any mistake, and attracts the notice of all the clerks by the violence of his language and his defiant air, as the two pass to the desk of the book-keeper to examine his account. The ledger shows that his balance was less than fifty dollars on the day before when he drew his check for fifteen hundred, and it is apparent that he had obtained the use of that much money one day in advance of his deposit. The process is well known to bank officers and clerks under the name of "kiting." It is often resorted to as a last expedient to raise funds by parties who know better. Two parties who keep accounts in different banks may change checks, and each deposit that of the other, if their certification is not required; and then each may draw out the money. Mr. Kight may have supposed that his deposit of the following morning may be admitted to pay his check; but the cashier explains to him that the exchange for the clearing-house is made up, and despatched before ten o'clock, so that funds coming in after that hour are not necessarily unavailable until the next day. He might even go so far as to show him the very bills that he had deposited still unused in the drawer of the receiving teller; but Mr. Kight understands it. He now expresses his opinion that "it is rather small business for a bank with three millions of capital to return a dealer's check for fifteen hundred dollars when the money is actually in the bank, even if it can't be used for a single day."

"There is but one way for us to transact business, Mr. Kight, and that is, to pay checks when we have the deposit to pay with, and to refuse them when we have not."

He adds: "It is true, sir, that your check for fifteen hundred dollars would make no sensible difference in our general balance, but every overdraft goes into one sum in the clearing-house exchange, and the aggregate of overdrafts in this way has sometimes reached forty or fifty thousand dollars."

Mr. Kight's deposit is now available to him, since the teller has received payment for the dishonored check from the bank to which he returned it.

He requests that it may be certified, with the intent to redeposit it in the same channel as before, and so rub out the discredit which his good name has suffered in that quarter.

But at this moment a messenger from another bank presents a check drawn by Mr. Wing which Mr. Kight had deposited the day before. It is returned "not good," and Mr. Kight must pay it. This absorbs his deposit and leaves him with his own dishonored check in hand. The whole transaction is now fully exposed. Mr. Kight and Mr. Wing had exchanged checks, each trusting to make his account good by an early deposit on the following morning; but their plan was thwarted in both banks by the vigilance of the paying teller.

If the teller, instead of returning Mr. Kight's check, had charged it against the morning deposit, he would now have Mr. Wing's dishonored check on his hands without any means of securing its payment; and it might be a total loss to the bank.

The quarter of an hour given to this tedious explanation is not entirely thrown away, since it affords the cashier a reason for closing Mr. Kight's account, and thus getting rid of a dangerous customer.

II.—*An Arrangement of Tradesmen's Cards, Political Tokens, Election Medals, Medalets, &c., current in the United States for the last sixty years. Described from the original, chiefly in the collection of the author, with Engravings.* By CHARLES I. BUSHNELL, member of the Historical Societies of New York, Connecticut, Pennsylvania, Maryland, Wisconsin, Minnesota, &c. New York, 1858, 118 pp. octavo: price \$3.

This volume shows considerable research and labor on the part of the author. Mr. B. is now engaged in the preparation of two other works connected with the Numismatology of the United States, and of a more extensive and elaborate character than the volume just issued. The banking fraternity will be glad to see published any reliable work on the past and present condition of the coinage of this country.

III.—Copies of the following pamphlets, &c., are ready for delivery (gratis) to Members of the Chamber of Commerce, and others who wish them. Applications, by mail, addressed to J. Smith Homans, Secretary of the Chamber of Commerce, N. Y., will be responded to.

I. Charter and By-Laws of the Chamber of Commerce, with List of Members, Dec. 1858.

II. Report of a Committee of the Chamber of Commerce of New York on Canal Navigation by Steam.

III. Report of the Committee of the Chamber of Commerce of New York on the charges at Quarantine for Lighterage, &c., Oct., 1858.

IV. A Report on the Currency, by George Opdyke, Wilson G. Hunt, James Gallatin and John Eadie.

V. Annual Statement of the Trade and Commerce of Cincinnati, including a general view of the present position and future prosperity of the City.

VI. Thirty-Second Annual Report of the President and Directors to the Stockholders of the Baltimore and Ohio Railroad Company.

THE BANK OF PENNSYLVANIA.

So much has been said in Philadelphia and elsewhere as to the management of Mr. ALLIBONE, of the Bank of Pennsylvania, that we copy from the *Philadelphia Daily Ledger* the annexed paragraph exculpating himself and the Vice President.—ED. B. M.

THE personal friends of Messrs. Allibone and Newhall, as well as all those who felt solicitude for the fair fame of our city, no doubt feel gratification at the result of their recent trial, on the charge of an alleged conspiracy to defraud the Pennsylvania Bank. The charge was of an aggravated crime, and the scrutiny into the conduct of the defendants was prolonged, thorough, and extensive. The trial commanded the untiring patience of Court, counsel and jury, and on the conclusion of the testimony, it was manifest that there was no case to be pressed upon the jury, and the prosecuting attorney accordingly very properly abandoned any such effort. The jury, under the Court, without leaving the jury box, rendered their verdict in favor of the defendants. Mr. Newhall's pecuniary transactions with the Bank and its late President were explained, and there being no evidence which exhibited any appropriation of the funds of the Bank to themselves, by either of the gentlemen implicated in the suit, they pass the ordeal with their reputation as to integrity unscathed. This, we presume, is the last of the Pennsylvania Bank, civil or criminal. All that may follow will be of a finishing character. Those who owe its remains money will have it to pay, if they are worth it, and within the reach of law to enforce its collection. The creditors of the Bank will receive much or little, according to its success in making collections. The institution is gone, hook and line, and the impression now is that there will not be a dollar for shareholders—probably only a percentage on the claims of the noteholders and depositors. This is as sad a wreck as that of the United States Bank, and like it, one that has carried misery to many households. Families that supposed themselves to be resting securely on a competence, in a day find themselves sunk to dependence and despair. Some wholesome lessons should be learned from the utter ruin of this and other Banks, and one prominent among them is the impolicy of investing for women and for wards in the stocks of Banks. The whole history of our system of Banking, and it is pretty much true of Banking everywhere, shows it to be liable to revulsion and to changes beyond the power of man to control, and therefore only to be meddled with by men who use Banks in commercial pursuits, and who have the time and opportunity to watch their operations. We have never believed that there was any conspiracy on the part of the officers of the Pennsylvania Bank to abstract its property for their own gain, or any predetermination looking to its ruin; and the evidence, so far as it goes, in the recent trial, proves that we were correct in this opinion. There has been, unquestionably, bad management and a very loose system of accounts, from its head to the most inconsiderable book-keeper, including cashier and directors; but no crime, except want of

prudence be a crime—and of this all are equally guilty. The President of the Bank did very much the same sort of thing common with Bank Presidents before and since, and such acts as probably will be pursued as long as our present system of Banking continues. While they are successful they are not complained of, and it is only when loss follows that the enormity of the practice is denounced, and sought to be made a crime. This is an error of the system. The acts that are criminal should be defined in the law, and not, being left to the discretion of officers, made criminal or otherwise as they may chance to result in failure or success. There have been many reforms in Banking within the last 20 years, but there is a wide margin yet left for further pruning. Our Banks want opening to the light. Everybody is interested in their solvency, and anybody desiring to do so should be permitted to look into them, and learn their doings.

THE OHIO LIFE AND TRUST COMPANY.

THE Superior Court has fully maintained the position previously assumed in relation to the assets of the Trust Company. Judge Storer, in giving the opinion, emphatically asserted its jurisdiction, and held also that N. C. McLean, and J. P. Kilbreath, Esqrs., were in contempt, in their efforts through the United States Court, to compel the delivery of the assets in the hands of the Sheriff to the receiver of that court. It was stated however, that an attachment would not be issued at present—the court probably being disposed to wait the next movement in the United States Court. Though not in so many words, the course of the Superior Court, in effect, admonishes the Federal Court to meddle no more with the receiver of the former, or vengeance will fall upon the attorney and innocent receiver of the latter court. It does not seek to repel the attacks of the Circuit Court, but to respond by an attack upon somebody else.

Without doubt, if the Circuit Court should farther interfere with the Sheriff, the movement will be followed on the part of the Superior Court by an attempt to punish the attorney and the receiver. This has been its mode of warfare thus far, and may be looked for in the future.

Mr. Kilbreath, the receiver of the United States Court, yesterday afternoon again demanded of the Sheriff the assets of the Trust Company, and received for answer that they were held under instructions from the Superior Court, and would not be surrendered.—*Cincinnati Gazette*, Dec. 17.

Since the above date the affairs of the Ohio Life and Trust Company have been compromised; the attorneys for Bell & Grant, and those for Spining & Brown, have agreed upon a general basis for a compromise of the matters in dispute, and the controversy will be settled without the further interference of the Courts, so far as the assets now in the hands of the Sheriff are involved. This course will save the expense of litigation, prevent a further conflict of the Courts, and insure the creditors at least a small dividend upon the sums originally deposited within a reasonable time.

NEW BANK LAWS.

I.—VERMONT.

AN ACT RELATING TO BANKS.

It is hereby enacted.

SEC. 1. It shall be the duty of the Bank Commissioner, during the time of his annual examination, and at any other time in his discretion, to examine all Banks whose charters have expired, until the entire affairs of the same shall have been closed up, and embrace the same in his annual report.

SEC. 2. It shall be the duty of the Bank Commissioner, during his annual examination, to destroy the bills of all closing and closed Banks which he shall discover, and keep a true record of all he may so destroy.

SEC. 3. It shall be the duty of the Bank Commissioner, during his annual examination, to ascertain and report, if any of the officers of the banks of discount and savings banks are the same, and if the officers of either have inspection of the books, papers, or business of the other.

SEC. 4. It shall be the duty of the State Treasurer to provide and keep a suitable book upon which to record all certificates issued by the Bank Commissioner, and to record the same and arrange and keep a plain and convenient index of said records; and it shall be the duty of said Treasurer to give duly certified copies of such records which shall be the proper evidence of the facts therein contained.

SEC. 5. It shall be the duty of the Bank Commissioner to ascertain from the State Treasurer, what Banks have lodged in his office the proper certificates that the capital stock of such Banks has been paid in agreeable to their several charters, and in case any of such certificates shall be lost, said Commissioner shall proceed to inquire whether any were issued to such Bank; and if from any evidence which such Bank can furnish, said Commissioner shall be satisfied that said Bank had been duly certified, he shall proceed to issue to such Bank a new certificate in proper form, the record of which shall be the evidence of such finding, and shall have the same effect as if the original had been so recorded.

SEC. 6. If any Bank shall be unable to prove to the satisfaction of said Commissioner that its capital has been duly certified, said Commissioner shall proceed to make an examination of its affairs, and if he shall find, upon a fair estimate of its assets at their cash value for banking purposes, that the capital of such Bank is full, agreeable to the terms of its charter, he shall issue to such Bank a certificate in due form: but if said Commissioner finds such Bank short of capital, he shall decide how much the deficiency is, and shall make and file with the officers of such Bank within the same his written order, directing the Directors to make an assessment upon the stockholders thereof, in such an amount as shall in his judgment make said capital full, ordering the same to be paid in and to become a part of the capital stock of such Bank by a given day specified in said order, which shall

not exceed nine months from the filing of such order with such Bank; and if such order is duly complied with, said Commissioner shall issue to such Bank a certificate in due form; but if said order is not complied with, said Commissioner may, upon the request of such Bank, issue a certificate for the amount of capital he shall find such Bank has, which shall thereafter be deemed the capital of such Bank, provided the capital stock of any Bank shall not thereby be reduced below fifty thousand dollars; and provided, further, that if any Bank shall fail to comply with the provisions of this act, it shall be the duty of the Bank Commissioner to proceed against such Bank as in case of an insolvent Bank.

SEC. 7. It shall be the duty of the Bank Commissioner, and he is hereby directed to proceed to inquire into the affairs of the Essex County Bank, and to receive any and all funds that may remain in the hands of any party, and deposit the same with the Treasurer of this State.

SEC. 8. Section twenty-one of chapter eighty-four of the compiled statutes is hereby repealed.

SEC. 9. This act shall take effect from its passage.

APPROVED, November 25, 1858.

II.—GEORGIA.

AN ACT—*To impose additional penalties upon the Banks of this State, so as to compel them to comply with the requisitions of an Act entitled "An Act to provide against the forfeiture of the several Bank charters in this State on account of non-specie payment for a given time, and for other purposes therein mentioned," passed by a constitutional majority at the last session over the Executive veto:*

SEC. 1. The General Assembly of Georgia do enact as follows: All and every Bank in this State which shall not by the first day of January next make their returns, accompanied by affidavits, in terms of the above recited Act, they shall, in addition to the penalties therein prescribed, forfeit and pay to the State, a tax of two per cent. per month upon their capital stock from that time, to be levied and collected by execution issued from the office of the Comptroller General.

Provided, That execution shall not issue before the first day of July next, and the Bank may, in the mean time, prevent the issuing of execution by making its regular annual and semi-annual returns relating back to the said first day of January next.

SEC. 2. Upon the failure of any Bank or Banks in this State to make their returns, as provided in the said Act of 1857, and in the time provided in the foregoing section, they shall be liable to pay a tax of two per cent. per month on their capital stock during the time of such failure, to be levied and collected in the manner prescribed in the foregoing section; execution to issue at the end of every month during which such failure exists.

THE INDIANA STATE SINKING FUND.

INDIANAPOLIS, NOV. 15, 1859.

OFFICE OF THE COMMISSIONERS OF THE SINKING FUND.

To the General Assembly of the State of Indiana.

The Commissioners of the Sinking Fund respectfully submit their report of the condition of the Fund, on the 1st day of November, 1858:

This fund was provided for in the charter of the State Bank of Indiana, for accumulating profit on the expected income to the State, from her investment in the stock of the Bank, from which, and the return of the capital of such investment, to discharge the debt incurred by the State in that behalf, and to realize from the residue a "permanent fund, appropriated to the cause of common school education, in such manner as the General Assembly should thereafter direct."

The loans of the State, for her banking purposes under the Charter, was	\$1,390,000 00
The premium realized on the sale of the State's 5 per cent. Bonds, above par, was	29,496 92
The premium and interest received thereon, in applying the same to the investments, was	3,019 58
	<hr/> \$1,422,516 50

There was paid for the expenses and services of the Commissioners of the Canal Fund, in making the loans, the sum of	\$4,494 14
And for transporting specie for the State's capital stock, mostly in silver	1,271 39
	<hr/> 5,765 53
	<hr/> \$1,416,750 97

There was invested of these means as follows:

In Stock of the State, on the State Bank	\$880,000 00
In Loans to Stockholders, in Mortgages	255,009 05
	<hr/> 1,135,009 05

Leaving in the Sinking Fund as the nucleus of her means . \$281,741 92

The sinking fund is made chargeable, under the charter of the Bank, as well with the payment of the semi-annual interest accruing on the State's Bonds issued for banking purposes, as with the redemption of the principal; and such interest, of course, accumulated on the Bonds before much was realized from the operations of the Bank, or from the loan of the Fund.

Thus, while up to January 1, 1857, the income of the Fund was from	
Dividends on the State's Bank Stock	\$78,600 00
Interest on Loans to Stockholders	5,831 13
Interest on other Mortgage Loans	14,004 54
	<hr/> \$109,035 67

Brought forward,	\$109,035 67
The interest paid by the fund on the State's Bank bonds to the same period, inclusive, had been	86,878 32
Leaving an excess only, to that date, to the Fund, of	\$23,457 33

So that it may be regarded that, substantially, the operations of the Fund, in connection with the income from the profits of the State in the State Bank, have been for the period of twenty years, being from the first day of January, 1837, to the 1st day of January, 1857, when the Bank ceased to do business; and since then, without such aid from the earnings of the Bank, for the two years, less two months, up to the 1st of November, 1858. The result of such earnings by the Bank, and the Fund, for the State, have been as follows, up to the 1st day of November, 1858, as shown in the exhibit of the Fund on that date, accompanying this report marked A.

The means of the Fund are:

Loans on mortgages on Real Estate	\$1,589,116 97
Indiana and other State Stocks and Bonds	722,806 43
Loans to the State for General Expenses and Internal Improve- ment Debt (principal)	679,646 51
Cash advanced as temporary loan to the State, for July In- terest, 1857	165,000 00
Cash means	165,089 82
Banking House purchased from Indianapolis Branch	14,000 00
	<hr/>
	\$3,335,659 73

The only debt with which the Fund is chargeable is the re-
maining Bonds of the \$1,390,000 issued by the State
for Banking purposes, after deducting the \$411,000
thereof, which the sinking Fund has redeemed by pur-
chase, and cancelled—being

979,000 00

Leaving, as the excess of the means of the Fund above its
debts

\$2,356,659 73

There is, however, to be added to this sum the interest ac-
cumulated, and to be paid by the State, on the amounts
withdrawn by her from the Fund, which, even at 6 per
cent. per annum, as is stipulated in the law of Feb. 6,
1841, is computed at

424,034 63

Making

\$2,780,694 36

It is proper, of course, to observe that the discount below the par value of the State's Bank Bonds, and the other State Stocks and Bonds, at which they have been purchased, may not be considered as the earnings of the Fund, but it is as just to consider, that if the above large sums had not been withdrawn from the Fund, where they legitimately belonged under the charter of the Bank, but had remained there to accumulate, by loaning and re-loaning at 7 per cent. per annum interest, payable in advance, the increased earnings of the Fund would not only have exceeded the amount of such discounts in purchasing Bonds and Stock, but have added to the

above result what would have made the whole means of the Fund as clear profit to the State, over and above providing for the discharge of the remaining Bank Bonds, more than *three millions of dollars*, up to this time, for the cause of common school education.

It is manifestly due, as well to those who are no longer among the living, as to those who are still engaged in their respective duties in connection with the State Bank and her Branches, and in the Sinking Fund, to consider whether anything in the history of Banking, and especially in the experience of States intrusting their money and credit to the management of individuals in a corporate capacity, for banking and funding their profits, can be found in any degree favorably to compare with such beneficial results to the State.

THE UNITED STATES FIVE PER CENT. LOAN, OF 1859.

Annexed is the official notice of the Secretary of the Treasury for proposals for an additional issue of ten millions of five per cent. Government Stock:

TREASURY DEPARTMENT, December 17, 1858.—Sealed proposals will be received at this department until 12 o'clock, noon, on Monday the 14th of January next, for ten millions of stock of the United States, to be issued under the Act of the 14th of June, 1858. Said stock will be reimbursable in fifteen years from the 1st of January next, and bear interest at five per centum per annum, payable semi-annually on the first days of January and July of each year.

No bid will be received below par, and none for any fraction of one thousand dollars. No bid will be considered unless one per centum of the amount is deposited, subject to the order of the Secretary of the Treasury, with a depository of the United States whose certificate of the same must accompany the bid. In all cases the bids must be unconditional, and without reference to bids of others, must state the premium offered therein.

The sealed proposals should be endorsed on the outside of the envelope, "Proposals for Loan of 1858," and be addressed to the Secretary of the Treasury, Washington, D. C. The sums which may be accepted from any bidder will be required to be paid to the depository of the United States nearest to his residence, or indicated as most convenient by him. Should bids be accepted from parties not residing within the United States, they will be required to deposit the principal and premium with the assistant treasurers at Boston, New York, Philadelphia or New Orleans.

Certificates of stock for sums for one thousand dollars each, payable to the successful bidders or bearer, with coupons of semi-annual interest from the 1st of July next, also payable to bearer, attached thereto, will be issued for the amount of the accepted bids upon the certificates of deposit to the credit of the Treasurer of the United States with the depositories of the United States. The stock will in all cases bear interest from the date of such deposit. The interest from that date to the 1st of July next, will be

paid to the successful bidder or his attorney, by the depository where the deposit was made.

Successful bidders will be required to deposit the principal and premium of their accepted bids on or before the 15th of March next. The preliminary deposits of one per cent. will be immediately directed to be returned to the unsuccessful bidders.

HOWELL COBB, *Secretary of the Treasury.*

A REVIEW OF THE YEAR 1858.

THE year 1858 opened with very unfavorable features, commercially and financially. In the London market the Bank rate of interest had been reduced at the close of December to 8 per cent., showing a continued stringency and but slightly abated. On the 14th of December the banks of the City of New York had resumed specie payments, a step followed by the banks of Boston and other cities; but the lasting effects of the then late revulsion were so little known or were so vaguely estimated, that banks and capitalists felt the necessity of extreme caution in their movements. The banking features of October to January had been as follows:

	<i>Loans.</i>	<i>Circulation.</i>	<i>Deposits.</i>	<i>Bank Specie.</i>	<i>Sub-Treasury.</i>
Oct. 17.	\$97,246,000	\$8,087,000	\$52,894,000	\$7,843,000	\$5,514,000
Nov. 7.	95,866,000	6,434,000	56,424,000	16,492,000	5,407,000
Dec. 5.	96,333,000	6,555,000	78,492,000	26,069,000	3,986,000
Jan. 2.	98,549,000	6,490,000	78,635,000	28,561,000	3,259,000

The accumulation of Specie had enabled the banks with confidence to resume specie payments on the 14th December, and the results showed that this was not premature. The foreign exchanges assumed a better shape, and sterling bills during the month of January reached as high as 110: the ordinary rates being 109½ a 109½.

It is curious at this day, after the lapse of fourteen months, to mark the progress and fluctuations of the Stock market immediately following the suspension and resumption of the Banks. Virginia six per cents. had been sold in October as low as 71; North Carolina, 70; Missouri, 64½; Tennessee, 68; Ohio six per cents., which for years had realized a liberal premium, had declined to 89 a 91. In railroad shares the fall had been more severe, N. Y. Central shares selling at 49½ a 64; Reading, 24 a 30; Michigan Central, 34 a 40; Balt. & Ohio, 38 a 44. An important change took place by the first week in January: the greater abundance of money and renewed confidence among capitalists having led to a re-establishment, nearly in full, of the values prevailing early in 1857. The interest due on State bonds on the 1st of January was punctually met, and by the middle of the month, State loans recovered 10 or 15 per cent. from the prices of October.

In London a Norwegian loan had been brought before the market

and favorably received. The London discount houses and the Joint Stock Banks had reduced their allowance for deposits to 3 a 5 per cent., and again to 2½ a 3. At the Stock Exchange the average rates for loans on government securities were 3½ a 3¾ per cent. On the 15th January the Bank again reduced the rate of interest, from 6 to 5 per cent., and on the 29th to 4 per cent.

In the English market the range of Consols for the month of January was 94¾ to 95¾, and of Bank Stock, 217 to 226½. The French funds were violently affected by the attempt on the 14th of this month to assassinate the Emperor NAPOLEON and the Empress. On the 31st the completion of the launch of the *Leviathan* or *Great Eastern* steamer was effected. The launch alone has cost from £60,000 to £70,000.

February. The whole month of February showed further ease in the money market. The export of coin to Europe had ceased almost entirely, while the semi-monthly arrivals of gold from California continued, ranging from \$2,800,000 to \$3,000,000 per month. On the 3d of this month the banks at Philadelphia resumed specie payments, which was followed on the 5th by a similar movement at Baltimore; thus making an example for the Southern and Western banks to follow. The adoption of the Clearing House system in Philadelphia, at this time, soon led to the beneficial results which followed the adoption of that system in this City in October, 1854.

The bank movement in New York City, during the month of February, showed further strength; the loans increased from 102,000,000 at the close of January, to 105,000,000 at the end of February, with a specie line of 31,000,000. The Michigan Central Railroad Company gave notice that they had resumed payment of their past due obligations.

Money in London had become more abundant. On the 4th the Bank of England reduced its rate of interest from 4 to 3½ per cent. The debentures of the Grand Trunk R. R. Co., to the extent of \$6,000,000, recently negotiated at 97, were quoted dearly in February at 101 a 101½. The Bank of France reduced its rate of interest to 4½ per cent. The chief event of the month of February affecting commercial matters was the raising of the blockade of Canton by the British on the 10th of the month. A severe loss to British underwriters occurred on the 16th, by the sinking of the mail steamer *Ava*, between Calcutta and Suez. The mails and cargo were lost, as well as £175,000 in specie for the Bombay Government. The range of Consols was from 95½ to 97½—an advance of 4 a 6½ per cent. above the lowest prices of December.

March. The increasing abundance of money at New York since the 1st January last, was favorable to the negotiation of the new 5,000,000 loan for the U. S. Treasury. On the 15th of the month the bids were opened at Washington, and resulted in the award of \$2,600,000 to bids ranging from 3½ to 4¾, and the remainder at five per cent. interest.

Exchange on Europe became reduced early in the month. Sterling bills, drawn by N. Y. bankers, which in February sold at 109½ a 110, fell in March to 107 a 107½, and on Paris to 522½ a 517½.

The Clearing House members of this city agreed in Convention to recommend and to adopt a minimum reserve of twenty per cent. in

specie of their net cash liabilities, independent of circulation. The principal banking feature of the month was the steady increase of loans, which, at the end of March, were \$109,000,000, an increase of \$6,000,000 since the end of January.

Money became more abundant in the London market, and the rates on loans subsided rapidly. The current values of Consols were 96½ to 97½, and of Bank Stock 225½ to 226½. The internal commerce of London was promoted by the opening, on the 28th of the month, of the Chelsea Suspension Bridge over the Thames. On the 30th the conference took place at Shanghai, of the representatives of the United States, Great Britain, France, and Russia.

April. The leading movements in the month of April were: 1. Proposals for the issue of \$5,000,000 of Treasury notes in the month of May; 2. Further increase in loans by the Banks of this city to the extent of \$3,500,000; 3. Further accumulations of gold from California, and its distribution throughout the leading cities of the Atlantic; 4. A gradual approach to a specie basis in the domestic exchanges with New York. The Legislature of New York adjourned this month without acting upon the recommendation of Gov. King, to the effect that each bank should reserve in specie at least twenty per cent. of its cash liabilities, independent of circulation.

The Stock market improved between the beginning and the end of the month, with an advance in N. Y. Central shares from 85½ to 89; Erie from 21½ to 25; and an advance of 1 a 1½ per cent. generally in State loans.

In the London market it was announced on the 1st, that the Indian loan of £5,000,000 had been nearly all taken at 97 a 102. Consols ranged from 96½ to 97½ in April, 1858, against 92½ a 93½ for April, 1857.

The British and other underwriters suffered a severe loss by the destruction of three-fourths of the city of Christiana, including the Bank, the Exchange, and other buildings.

May. There was more buoyancy in the Stock market for the month of May than in June following. N. Y. Central shares early in May were quoted 88½ a 89; Erie 24½, but fell towards the end of the month 4 a 5 per cent. The unsettled questions pending between Great Britain and the United States at this period, particularly as to the right of search, had the effect to lessen confidence in the future. State loans maintained their values, while railroad shares and bonds declined towards the close of May.

The principal financial feature of the month was the establishment of a Clearing House or Assorting House, at Albany, for the redemption of New York country money. On the 3d of May a circular was issued announcing this change.

The North Branch Canal, constructed by the State of Pennsylvania, was sold this month for the sum of \$1,500,000, to a private company: the other State canals of Pennsylvania were sold in 1857 to the Pennsylvania Railroad Co.

The increase of specie among the banks at New York also took place among those of Philadelphia; in the latter city from \$3,770,000 at the opening of January, to \$7,031,000 at the end of May.

The month of May was noted for the large emigration from California to the gold mines of British Columbia. The results of this movement have been far from flattering to those most interested.

In the London market the bankers reduced their rate on deposits. Consols ranged from $97\frac{1}{4}$ to 98—the latter price not being reached again before October following.

June. The cloud overhanging the political horizon in May, was followed early in June by a brighter state of things; and capitalists entered more freely upon investments in shares and bonds. The principal financial feature of the month was the negotiation of \$1,800,000 five per cent. bonds of the State of New York. These were, \$1,500,000 to mature Oct. 1, 1886, taken by Messrs. R. H. King, J. B. Plumb, J. Sill and others, at 101.62; \$200,000 to mature July 1, 1860, taken at 100.80 *a* 101.15; and \$100,000, to mature July 1, 1875, which was taken at 102.65 *a* 103.26; (see Bankers' Magazine, p. 70). The aggregate premium realized on the \$1,800,000 was, \$29,036 50.

The Treasury Department gave notice that bids would be received until the 9th August, for the new loan of \$10,000,000 bearing five per cent. interest.

On the 19th of this month the American Bank of Baltimore failed, a small concern owned mainly by speculators.

In the London market there was at this time but little inquiry for American securities, the advance in the prices at home being more than equivalent to those in Europe. Consols receded to $97\frac{1}{8}$ *a* $97\frac{1}{4}$, and Bank shares to 219 *a* 222 $\frac{1}{4}$.

On the 13th of June a Treaty was concluded between Russia and China, opening the ports of the latter to the former.

July. Exchange on London ranged during the month, from $9\frac{3}{4}$ *a* 10 per cent. premium. There being few bills drawn against cotton, from the Southern ports, the basis of exchange consisted mainly of exports of produce from the North.

In the stock market the leading change was in Delaware and Hudson Canal shares, from 108 current early in June, to $97\frac{1}{4}$ at the beginning of July. Illinois Central shares fell at the same time, from 89 to 75, and a marked decline was shown in Erie Railroad securities. The sinking fund bonds declined from 40 to 31, and the convertibles of 1871 from $40\frac{1}{2}$ to 32.

The Clearing House committee recommended that payment be refused of notes mutilated with intent to defraud, and that suits at law in such cases be defended out of the general fund of the association.

On the 4th of this month the treaty concluded with Japan *co* effect: securing the right of residence on the part of Am Simoda and Hakodadi.

On the 29th of the month a second treaty was effected between United States and Japan. It provides: Americans shall be allowed to reside in such ports as are opened, to build churches, and to work for re-coinage now paid by the American purchaser of Japanese goods shall be dispensed with; this treaty shall take effect from the 4th of July, 1859, though some of the ports are not to be opened until later;

the port of Simoda shall be closed, and that of Kanagawa shall be opened in its stead; the port of Hego (which is the seaport of the great cities of Osaka and Miaco) shall be opened to American trade; Americans shall not wander to Jeddo from Kanagawa; Japanese coin may be exported after it has been purchased by weighing American coin against it—gold against gold and silver against silver; and a minister shall be sent to the United States.

The London market was in a less favorable condition than during the preceding two months. Consols declined to 95 $\frac{1}{2}$ a 96 $\frac{1}{2}$, owing in part to the unsettled questions with the United States.

August. The great feature of the month was the successful (though temporary) completion of the Atlantic Submarine Telegraph. Messages were for the first time transmitted on the 17th of the month, and although the workings of the cable have been ever since without results, other attempts will be made to place another cable in a more fortunate position.

On the 9th of the month the bids for the new loan to the U. S. were opened. The aggregate bids were \$38,271,000, ranging from par to 7.03 per cent. premium, the accepted bids being as follows: \$26,000 at 106 to 107.03; \$4,850,000 at 105 to 106; \$4,896,000 at 104.14 to 105; and 228,000 above 104.12 $\frac{1}{2}$. The bonds bear an interest of five per cent. payable semi-annually; the principal to be reimbursed on 1st January, 1874.

The stock market showed a further decline, N. Y. Central shares from 85 $\frac{1}{2}$ to 77. Michigan Central from 62 to 57 $\frac{1}{2}$. Panama R. R. shares were the only exception to this downward movement.

The bank specie reserve in this city, was reduced from 35,000,000 to 28,000,000, while that in the sub-treasury was increased by means of the new loan, from \$5,500,000 to \$17,000,000.

On the 12th of August Lord ELGIN landed at Jeddo, the capital of Japan, and negotiated a treaty with the Emperor, which was signed on the 26th. Important financial reforms were adopted this month by the Sultan of Turkey.

September.—The general conviction in the public mind as to a more prompt redemption of bank circulation, led to the establishment this month of a system of par redemption at Philadelphia by many of the country banks of Pennsylvania. The Bank of the Ohio Valley at Cincinnati also commenced business at this time, being established for the purpose of redeeming the bank circulation of Ohio. Among the failures of the month were the Southern Bank of Memphis, and Messrs. CHUBB BROTHERS, Washington City. Foreign Exchange was less favorable in September than during the preceding two months. At the close of the month bankers' bills on London were quoted at 110 $\frac{1}{2}$ a 110 $\frac{1}{4}$. The Stock market was again variable, resulting in a decline in Chicago and Rock Island R.R. Shares from 72 $\frac{3}{4}$ to 65—and a general decline in railroad shares of 1 $\frac{1}{2}$ a 2 per cent. Money was more abundant at the close of the month, with occasional loans on call at 2 $\frac{3}{4}$ a 3 per cent.

On the 18th of September the Suffolk Bank, Boston, issued a circular which led to a Bank Convention at Springfield on the 29th, leading

to a withdrawal of their accounts from that Bank to the Bank of Mutual Redemption.

In the London market, Consols recovered in part from the decline of July and August. The extreme prices were 96½ *a* 97½, and of Bank Shares 228½ *a* 229. The chief feature of the month was the expiration, on the 1st, of the Charter of the East India Co.; which Co. is now under the control of the Ministry, the office of President of the Board of Control being superseded by that of Secretary of State for India. A heavy marine loss occurred on the 13th by the burning of the steamer *Austria*.

October.—This month brought out the prospectus of the Bullion Bank, to be established in the city of New York with a capital of one million of dollars; the deposits to be held in specie or bullion without discounting thereon. The average amount of specie held by the Banks of the city during the months of September and October was a little over twenty-eight millions; the loans having been reduced \$1,500,000 since the close of August. The principal change in the Stock market was an advance in Panama R. R. Shares from 114½ to 121, and Pacific Mail Steamship Shares from 89 to 105½. Railroad Shares generally were better held towards the close of October; with abundant facilities for obtaining loans on call at 5 *a* 6 per cent. on this class of securities. On State Loans the rate of interest was 3 *a* 4 per cent. Georgia State Sixes were quoted at ½ *a* 1 per cent. premium, and an advance took place in State loans of 1 *a* 2 per cent.

The establishment of the Bank of Mutual Redemption at Boston led to the transfer of many accounts of country Banks from the Suffolk Bank to the new institution.

British Consols attained higher prices this month than at any previous date of the year; the extremes being 97½ to 98½. An additional call of £100 per share was levied upon the shareholders of the Western Bank of Scotland.

November.—The rates of Foreign Exchange declined during the month, closing at 109½ *a* 10½ for bankers' bills on London. The supply of bills from the South became more abundant; the rates for Sterlings at New Orleans having declined to 106½ *a* 107½. About three millions of dollars were shipped from this port during the month to New Orleans and Mobile.

On the 11th of this month the Supreme Court of Pennsylvania, sitting at Pittsburg, rendered their decision in the important case of the holders of Alleghany County Bonds against the County, granting a mandamus to the County Commissioners for the levy of a tax sufficient to pay the interest on the bonds.

The tone of the London Money market throughout November was firmer, with large transactions at the Stock Exchange. The prices of Consols ranged from 97½ *a* 98½, the latter being the highest quotation of the year.

December.—The Stock Market for December has been fluctuating, resulting in a general decline of values. We refer to the comparative list of prices for each month of the year, in which the changes are carefully noted.

Money is more abundant than at any time of the year, with constant accumulations from foreign and domestic sources—partly held for investment and more largely held subject to demand. The banks of this city alone hold balances amounting to 20 or 25 millions on deposit for account of interior banks and bankers. The private bankers of this city probably hold as much more subject to call; all which is on deposit in the banks, forming a part of what is reported as their "individual deposits."

Hence we find abundant facilities exist for obtaining loans on Stock Securities. We annex the current quotations at the end of December :

Loans on call, prime collaterals.....	3½	a	4½
do ordinary do	5	a	7
Prime endorsed bills, 60 to 90 days	4½	a	5½
do 4 to 6 months	5½	a	6
First class single signatures.....	6	a	7
Other good commercial paper.....	7	a	8

The year 1858 has been distinguished by numerous Commercial changes of an important character; but not many of a Financial nature. In the State of New York, the People's Loan and Relief Company was chartered by the Legislature, with the privilege of receiving deposits bearing seven per cent. interest, and to charge any rate of interest on loans not exceeding 15 per cent. The accumulations of Capital have exceeded those of any former period, and the rates of interest have been lower than ever before in this country. The negotiations of loans in behalf of the U. S. Treasury were effected on more favorable conditions than in any former instances.

The year opened with a stagnation prevailing in the Commercial and Manufacturing channels of the U. S. From this state of things a gradual improvement has taken place, and the manufacturing interests of the country are again awakening to a more profitable condition.

The Agricultural interests of the country rely *mainly* upon the domestic market for consumption of staple articles; and these great interests will be best advanced by an active state of manufactures. In fact the home market is of so much greater importance than the foreign to the Agriculturist, that all honorable means should be adopted to promote activity among every and all branches of manufactures.

One of the gratifying results of the year is shown in the movement upon our State Canals. The total property received at and shipped from New York by canal, being in excess of sixty millions of dollars. The present movement is one of the most flattering in its prospect of the future. Adopting the important improvement which has been partially used this year, in the application of Steam to Canal navigation, we insure for these important and costly works an ample return for capital invested. There is ample room for *all* our Railroads and *all* our Canals. There is no occasion for damaging competition; each can profitably maintain its "right of way" and promote largely the great commercial, manufacturing and agricultural interests of the Empire State, and directly as well as indirectly promote those of the GREAT WEST.

Upon a careful consideration of the events of the year 1858, we have come to the conclusion that it has been, in a commercial point of view, the most important year of the century. We look upon the great events of

the year as calculated to produce highly important changes and advantages in our commercial intercourse with the States and with the whole world.

These great events may be briefly recapitulated as :

I. The successful introduction for the first time of Steam Navigation on the New York Canals.

II. The conclusion of a Commercial Treaty with China, and the opening of several of her ports to the shipping of the U. S.

III. The Treaty of Commerce between the U. S. and Japan, whereby the staple productions of the U. S. may be made known and appreciated in that hitherto obscure empire.

IV. The successful (temporary at least) Telegraphic Communication between Europe and the U. S. by means of the Submarine Cable.

Any one of these important events is calculated to effect important results to Commerce at large, but the whole collectively form the most important era of the nineteenth century.

FLUCTUATIONS OF ENGLISH FUNDS, 1858.

Highest and Lowest Prices of the Principal Funds from November 1857 to October 1858.

	Bank Stock.	Three per cent. Reduced.	Three per cent. Consols.	New Three per cent.	India Stock.	Exchequer Bills.
1857. November...Highest.....	215	90½	91½	90½	216	Par.
Lowest.....	209	87½	88½	87½	210	35 discount.
" December...Highest.....	219	94½	91½	94½	218	Par.
Lowest.....	216	89½	91	90	217	4 Discount.
1858. January...Highest.....	226½	95½	95½	95½	224	26 Premium.
Lowest.....	217	94½	94½	94½	219	1 "
" February...Highest.....	227	97½	97½	98½	222	40 "
Lowest.....	225	95½	95½	95½	219	22 "
" March.....Highest.....	226½	97½	97½	97½	222½	39 "
Lowest.....	225½	97½	96½	97½	221	25 "
" April.....Highest.....	223	96½	97½	96½	223	40 "
Lowest.....	220	95½	96½	95½	220½	35 "
" May.....Highest.....	223	98	98	96½	225½	44 "
Lowest.....	219	95½	97½	95½	223½	36 "
" June.....Highest.....	222½	96½	97½	96½	223½	37 "
Lowest.....	219	95½	97½	95½	221	31 "
" July.....Highest.....	227	96½	96½	96½	221	39 "
Lowest.....	220½	95½	95	95½	217	22 "
" August.....Highest.....	229½	97½	97	97½	220	39 "
Lowest.....	225½	96½	96	96½	215	23 "
" Sept.....Highest.....	229	97½	97½	97½	218½	38 "
Lowest.....	228½	97½	96½	97½	214	31 "
" October.....Highest.....	224	97½	98½	97½	225	42 "
Lowest.....	220	97	97½	97	219	34 "

FOREIGN ITEMS.

The Bank of England.—Subjoined is a table affording a comparative view of the Bank of England returns, the bank rate of discount, the price of consols, the average price of wheat, and the leading exchanges, during a period of four years, corresponding with the present November, 1858.

	1855.	1856.	1857.	1858.
Circulation,.....	£20,705,000	£21,149,000	£21,036,000	£21,826,000
Public deposits,.....	3,605,000	4,631,600	5,314,000	6,673,000
Other deposits,.....	11,166,000	9,652,000	12,935,000	12,290,000
Government securities,...	10,124,000	10,592,000	9,444,000	10,803,000
Other securities,.....	17,879,000	18,626,000	26,113,000	14,697,000
Reserve of notes and coin,	5,471,000	3,765,000	1,462,000	11,988,000
Coin and bullion,.....	11,234,000	9,530,000	7,170,000	18,502,000
Bank rate of discount,....	6.7 per cent.	6.7 per cent.	10 per cent.	3 per cent.
Price of consols,.....	88.75	95 75	90.	98.25
Price of wheat,.....	80s. 3d.	66s. 0d.	52s. 6d.	42s. 8d.
Exchange on Paris (about)	25.35 a 25.40	25.30 a 25.25	25.30 a 25.45	25.5 a 25.12½
Exchange on Amsterdam,				
(about).....	11.17	11.14	11.17 a 11.18	11.14½ a 11.15½
Exchange on Hamburg,				
(3 months),.....	13.9½	13.6½ a 13.7	13.12 a 13.13	13.6½ a 13.7½

Counterfeiting in the Seventeenth Century.—At a recent sale of books, manuscripts and autographs of the late Rev. Dr. Bliss, an extraordinary note from Lord Inchiquin to Charles II. soliciting a reprieve for "a poor creature falsely accused of increasing coin, which had it been true, is hardly a fault, when there is scarce any to be had," brought £5.

Letters of Credit.—Occasions sometimes arise where bills drawn in foreign countries against letters of credit issued by English houses are refused acceptance upon presentation. The practice is palpably a bad form of repudiation, but it can be legally pursued, and this fact in times of emergency presents a great temptation. Thus, during the panic of last autumn it was understood to have been adopted to a considerable extent, especially in the case of bills drawn from the River Plate. The technical plea is that the contract is confined to the grantor and grantee of the letter of credit, and that no third party can acquire any absolute rights under it. The power of evading the spirit of an agreement by a quibble of this kind must naturally tend to subvert commercial morality, and it is understood that a short act is about to be introduced, with the view of placing all letters of credit in the same category as bills of exchange, so as to render them negotiable by endorsement, and thus give the holders of them, or of any drafts drawn under their authority, power to enforce payment by summary procedure.—*London Paper.*

Turkish Loan.—The Commercial advices from Europe are satisfactory. The London Money Market is quiet and steady. A new loan is proposed for the Turkish Government equivalent to fifteen millions of dollars. The bonds will bear six per cent., and are offered at 86, but not freely taken. The former loan for that Government, (pending the Russian war,) was guaranteed jointly by the British and French Governments; but no further guarantee is now proposed. Of the new loan, the London correspondent of the *Commercial Advertiser* says:

There is a prejudice against Turkey in the London Stock Exchange. But for this the present loan would command a higher premium. The cause of the prejudice is not plain, since although Turkish finances have been notoriously mismanaged, and the political existence of the Empire cannot by any means be regarded as secure, there is scarcely a country whose total debts compared with its resources is no insignificant,

(below \$100,000,000, including every thing,) while there can be no doubt that even if the Ottoman rule should crumble, the other powers of Europe would take care that whatever Government might be raised in its place should at least recognize and provide for all outstanding and legitimate obligations. Thus far, moreover, Turkey has never made the slightest default in the payment of the interest of her external debt. As this, however, has only been about eight years in existence, the experience is limited. Her former six per cent. loan was for \$15,000,000, and was contracted at 80. It was met in the Stock Exchange with the same prejudice as is now observable, but has since gradually advanced, and after having at one time touched 104, is now about 95. That loan was specially secured by the Egyptian tribute. The present one is covered by an assignment of the yearly proceeds of the customs duties and octroi at Constantinople, yielding \$3,000,000.

MISCELLANEOUS ITEMS.

Transaction in Stock.—The case of *Albert C. Parsons* against *Joseph G. Martin*, was tried before the Common Pleas at Greenfield, Massachusetts, in August, and the jury found for the plaintiff, assessing the damages at \$325 75. The defendant is a stock broker of Boston, to whom Mr. PARSONS intrusted the sale of thirteen shares of Vermont and Massachusetts Railroad stock two or three years ago, when the shares sold at \$22. It appeared in evidence, that while this was the ruling price, the defendant transferred four of the plaintiff's shares to a third person, and the other nine to himself, and afterwards transferred all the shares to third persons, so that none remained in his own name. On this evidence the plaintiff brought his action to recover \$22 per share, but the defendant contended that he never intended to sell the plaintiff's shares, but only to use them temporarily, and that he always intended to replace them; and that in fact he never sold any of the plaintiff's shares for and on account of the plaintiff; and that he only acted in accordance with the custom of brokers; but the court ruled that such custom, if proved, would be illegal.

Pittsburg Bonds.—By the Pennsylvania Act of Assembly, passed on the 8th of April, 1851:—"Bonds or certificates of debt created by the county of Alleghany, the city of Pittsburg, or the city of Alleghany, be and are hereby declared legal investments of money by executors, guardians, or trustees." By reference also to the journal of the House of Representatives of that year, it will be found that this section was, on motion of a representative from the county of Alleghany, attached as an amendment to a bill entitled "An Act to confirm the title to certain real estate in West Philadelphia."

Of this singular law the *Philadelphia Ledger* remarks:

Thus it appears that the authority was granted at the solicitation of the members from Alleghany, to give an additional value to the bonds their county was about to issue. This was successful—the securities of the city of Pittsburg, the city of Alleghany, and the county of Alleghany were for a time favorite investments by our Courts; the speculations, however, in which the money thus obtained was invested, have failed, and the borrowers decline to repay it.

Inasmuch as the authority was asked by the representatives from Alleghany, the votes of our city members obtained by its being attached to a bill of interest to Philadelphia, and the money actually obtained in a great measure from Philadelphia, it seems rather hard not only to refuse to repay us, but to sneer at our attempts to obtain redress.

Woollen Manufacturers.—We learn that during the height of the pressure and panic which recently prevailed, a leading Wool House of this city ascertained that it had on hand promissory notes amounting in the aggregate to three hundred and twenty-four thousand dollars, and all given by manufacturing firms in New England that had suspended temporarily. The entire lot of paper was renewed for six months, and

the interest in each case was paid in advance. A few days since, the same House, on looking over its account, found with some surprise, as well as no little gratification, that every dollar of the paper thus renewed, with the exception of about three thousand dollars, had been paid at maturity.—*Philadelphia Enquirer*.

Louisville City Bonds.—A sale of Louisville, Ky., City Bonds, was recently made in that market at 65 per cent., upon which the *Courier* remarks:

"It is very certain that our city does not owe debts enough to fix such a low value upon her bonds. They have never been questioned by any one who has taken the pains to inform himself as to their value. The interest on them is punctually paid at the expiration of every six months, and the principal will be paid at maturity, just as sure as the time of their falling due shall hereafter arrive.

The entire indebtedness of Louisville, including nearly two millions of contingent and conditional liabilities, which may never come upon her, is less than \$3,500,000. As an offset against this, she holds more than \$4,000,000 worth of property in her own name, while the assessed value of the property of her citizens, every dollar of which is bound for the liabilities, amounts to \$35,000,000.

We might suggest that the recent attempted repudiation by Bath county, Kentucky, of its bonds, may make capitalists hesitate. Until the people of a State disavow repudiation in any and all forms, State, city and county bonds share alike the mistrust.

Gold on the Gila River.—Gold has been found for a distance of three miles on each side of the river, varying from a quarter to half of a mile from the banks. No point has yet been prospected that has not yielded paying dirt. The lowest yield per pan, five cents; the highest, eight dollars. The Rev. Mr. Riddle, of Texas, on his way to California, stopped there some four weeks since; he has already cleared six hundred dollars. Mr. Weinenger, an old miner, two miles up, has discovered a claim which yields him forty dollars per day.

What is now wanted to develop these rich mines, are the necessary implements for working them—such as tools, lumber, and means of transporting the earth from the gulches to the river. It would be advisable for any one coming to bring necessary supplies, as there is but one store here, and every thing, consequently, at the most enormous rates. The point is very readily reached by land or water. By land, twice a week from San Francisco, by stage; by water, by sail or steamboats, to the mouth of the Colorado, thence to this point, by two steamers, now plying on the river. The road from this point to the mines is capital. The Gila runs west through the very centre of the most strongly marked volcanic regions of Arizona, finding its sources in the Sierra de los Mimbres, and making its way to the Gulf of California. The best approach to its gulches, for companies from the States, is along the valleys of the Arkansas and down the Rio del Norte. Those desiring, however, to avail themselves of present speedy conveyance, can take the Butterfield overland stages, to El Paso.

Canada.—The Toronto Globe gives a description of the new coin for the Canadian currency, recently sent out from England. The cent is somewhat smaller than the British halfpenny, and of a brighter color, some white metal having been mixed with it in order to bring it up to the required value. On one side is a beautifully executed medallion of the Queen; an exact copy of that which appears upon the English shilling. Between the two rows of beading the words "Victoria, Dei Gratia Regina Canada." (The word Canada is disconnected from those preceding it.) The obverse is ornamented with a wreath of maple leaves, and the words "One Cent, 1858." The silver coin are alike in design. The twenty cent pieces are a little smaller than the English shilling, and the ten and five cent pieces are the same size as the American coin of the same value. The silver differ from the copper coin in design. The former has only one row of beading, and the maple leaves, instead of running all round, are arranged the same way as the roses, shamrocks and thistle upon the British money, with a crown dividing the one branch from the other. The letters and figures used are plain, being proportioned to the size of the coin. The edges are not milled.

Georgia.—The House of Representatives of Georgia, without a dissenting voice, has passed a bill repealing all laws which authorized lotteries in that State, and prescribing certain penalties for all schemes and sale of tickets after the 1st of June, 1860.

BANK ITEMS.

NEW YORK.—The Consultations on the Currency, recently held at the Mercantile Library, closed on Wednesday last, by the institution of a permanent organization, entitled "The Board of Currency." Officers were appointed, and a constitution adopted, preparatory to the dissemination of intelligence, by public meetings and essays, on the question of the currency, and its influences upon the welfare of the country.

A number of essays, read before the meetings that have been held, will be published. The consultations lasted ten weeks, and were attended by some of the officers of the principal banks, by several prominent statesmen, merchants, and editors, of this and other cities. The officers chosen on Wednesday evening were: President, James Galatin; Vice-Presidents, Peter Cooper and George Opdyke; Treasurer, Jackson S. Schultz; Executive Committee, Wm. A. Booth, Joseph Lawrence, Benjamin H. Field and Wilson G. Hunt; Recording Secretary, John Eadie; Corresponding Secretary, George D. Lyman.

New York City.—Benjamin Cartwright, Esq., was on the 19th November, appointed Cashier of the City Bank of N. York, in place of Robert Strong, Esq., deceased.

Broken Banks.—Reciprocity Bank, (formerly Sackett's Harbor Bank.) Williams, Esq., Receiver of this bank at Buffalo, is paying 25 cents on its circulating notes, being dividends of Sept. 1st, and Oct. 1st. Holders of scrip issued under the dividend of Sept. 1st, can send it to us for the 10 per cent. payable Oct. 1st, for which prompt returns will be made. The stockholders of this bank were notified to appear before the Hon. N. K. Hall, Referee, Nov. 6th, at 10 o'clock, A. M., at his office in Buffalo, to show cause why they should not be assessed under the Act of April 5, 1849, to satisfy the balance of existing claims against the Bank. Ordered by the Court that the Referee make his report within 90 days from that date.

Oliver Lee & Co's Bank.—The affairs this institution are in a condition affording very little encouragement to its creditors, every step taken by the Receiver, James M. Smith, Esq., being obstructed by litigation. An assessment on the stockholders will probably be ordered in January next. Any positive progress in closing its affairs will be duly chronicled from time to time. The circulating notes of the Bank have been redeemed.

Hollister Bank.—The circulation of this bank has been nearly all redeemed by the Receiver, and on all adjusted claims 25 per cent. is being paid. An assessment will soon be made on the stockholders to liquidate the balance of outstanding claims. Parties holding the Receiver's certificates, and who have not received the dividend, can send them to us for collection.

MAINE.—The hearing in the application of the Bank Commissioners, made on the 8th inst., for an injunction against the Atlantic Bank, was had before Judge Davis, in chambers, at 10 o'clock yesterday. It was found by the Court that some *informalities* existed in regard to some of the loans of the Bank, and the restriction was so modified as to permit the Bank, on and after Monday next, to commence the redemption of its bills, and the collection of its debts; but not to re-issue bills, or resume active business, until the allegations on the part of the Bank Commissioners are remedied and a satisfactory showing is made to the Court that such has been the case. For this purpose the further consideration of the case was adjourned for one month. The Bank will commence the redemption of its bills on Monday next.—*Portland Advertiser.*

The comparative condition of the Banks of Maine, at the date of the latest returns is as follows:

	OCT. 2.	NOV. 1.		
Capital Stock,	\$7,408,945,00	\$7,408,945,00	inc.	\$140,927
Bills in circulation,	3,628,450,00	3,769,577,00	dec.	97,462
Deposits,	2,557,532,50	2,460,070,40	inc.	24,577
Amt. due other Banks,	64,531,17	89,108,05	inc.	10,969
Specie,	661,559,20	672,528,70	inc.	210,253
Loan,	11,359,384,59	11,569,637,40	inc.	75,606
Amt. due from other Banks,	1,634,486,73	1,558,680,72		

The following table shows the condition of the Banks of Maine at the periods named as to the capital and circulation:

	<i>Capital.</i>	<i>Circulation.</i>		<i>Capital.</i>	<i>Circulation.</i>
1849	\$2,148,000	\$2,136,394	1857 June,	\$8,000,400	\$4,242,655
1850	3,248,000	2,645,072	Oct. 3,	7,702,900	3,978,364
1851	3,853,650	3,075,057	Nov. 1,	7,602,900	3,286,660
1852	4,261,253	4,152,545	Dec. 5,	7,664,200	3,002,530
1853	5,457,155	5,144,904	1858 Jan. 5,	7,614,200	2,964,327
1854	7,301,252	5,691,818	March 1,	7,614,200	2,920,223
1855	7,569,155	5,169,829	April 3,	7,526,700	3,273,665
1856 Oct.,	8,107,485	4,934,880	1858 Oct. 2,	7,408,045	3,628,450
Dec.,	8,135,735	4,641,646	Nov. 1,	7,408,945	3,769,177

Condition of the Portland Banks since 1854:

	<i>Capital.</i>	<i>Loans.</i>	<i>Circulation.</i>	<i>Deposits.</i>	<i>Specie.</i>
June 1854,	\$1,773,160	\$3,406,194	\$1,422,336	\$706,322	\$259,850
Oct. 1854,	1,816,002	3,604,771	1,288,725	841,408	223,556
Dec. 1854,	1,875,000	3,556,994	1,258,771	669,845	178,660
June 1855,	1,781,500	3,325,154	1,174,296	810,484	169,306
Jan. 1856,	1,881,800	3,435,971	1,258,217	697,193	174,790
Jan. 1857,	1,925,000	3,619,932	1,225,248	621,356	172,891
June 1857,	1,977,469	3,639,374	1,114,549	787,803	125,050
Oct. 1857,	2,001,200	3,489,424	1,017,447	620,629	144,080
Nov. 1857,	2,051,200	3,347,160	814,585	500,430	137,210
Dec. 1857,	2,075,000	3,401,908	844,782	540,488	158,887
Jan. 1858,	2,075,000	3,477,992	876,277	655,261	149,846
Feb. 1858,	2,075,000	3,425,770	813,356	597,844	139,135
Mar. 1858,	2,075,000	2,428,330	742,773	569,273	145,915
Apr. 1858,	2,075,000	3,448,463	779,382	775,705	136,100
May 1858,	2,075,000	3,545,350	823,589	723,357	136,135
Oct. 1858,	2,075,600	3,400,428	967,345	921,916	157,644
Nov. 1858,	2,075,009	3,446,634	982,211	822,360	170,561

MASSACHUSETTS.—Samuel White, Esq., of New York, has been appointed Cashier of the Merrimack Bank, Haverhill, in place of E. A. Porter, Esq., resigned.

Boston.—The following named gentlemen are connected with the new Bank to be organized at Boston under the General Banking Law of Massachusetts: Messrs. S. H. HOWE, W. H. HILL, W. J. REYNOLDS, NOBLE H. HILL, ISAAC FENNO, F. S. CARRUTH, C. W. BRYANT, ISAAC SWEETSER, OTIS DANIEL, and ARTEMAS STONE. The capital of the Bank will be \$500,000, and \$200,000 have already been subscribed. There is at present only one Bank in that State established under the General Banking Law.

RHODE ISLAND.—Mr. Stephen K. Rathbone, receiver of the Bank of the Republic, of Rhode Island, has made his third report to the Supreme Court, showing \$2,555 of the circulation received since the last decree, and \$45,104 in all; leaving \$15,995 outstanding. A dividend of 50 per cent. has been paid on all receipts, excepting \$472; and \$15,000, with \$2,500 due for interest, the receiver has on deposit. All the debts, except \$133,000, without interest, have been collected; of which debts all except \$1,100 was received by said Bank from Theodore Perry, of New York, who guaranteed the payment, but who, like his promissors, has become insolvent.

MARYLAND.—Mr. James R. Annan has been appointed assignee of the Cumberland City Bank of Maryland. The concern was first established in 1848, as a Savings Institution, but in 1850 it was converted by an act of the Legislature, into a bank called the Cumberland Savings Bank. In 1858, at the last session of the Assembly, the name was changed to Cumberland City Bank. The officers of the bank were Mr. James T. Norton, of New York, who was last September chosen president. James M. Schley, Esq., was president preceding Mr. Norton. Mr. Wm. O. Spayth, formerly of Ohio, has been cashier for the last two years or more.

NORTH CAROLINA.—The Farmers' Bank of North Carolina, now at Elizabeth City, and the branch at Greensboro', are to be changed: the parent Bank to be hereafter at Greensboro', and the branch at Elizabeth City.

ARKANSAS.—The revulsion in the monetary affairs of the country has had, comparatively speaking, but little effect upon the people of Arkansas. So far we have weathered the storm bravely. We have heard of no failures and but little distress in this State. The stringency of the money market may have occasionally *inconvenienced* our merchants somewhat, but no insurmountable obstacle has yet been interposed to prevent them from meeting their engagements. They have carried on their operations chiefly upon a sound basis, and are now enabled to laugh at the storm that makes the rest of the country tremble. Our security we attribute chiefly to the wise legislation that has prevailed in the State. In our constitution we have the following clause:

"No bank or banking institution shall be hereafter incorporated or established in this State."

Our constitution was thus amended in 1846. The amendment was proposed at the session of the General Assembly held in 1844-'5, and ratified at the session held in 1846-'7. Since then we have had no banks in this State, and consequently no extravagant speculation. The revulsion, in consequence, finds our people in a safe condition to meet the hard times.

By reading the Governor's message it will be seen that he also recommends, at some future day, a prohibition of the circulation of all bank bills of less denomination than *ten dollars*. That day has now arrived, and we trust the next General Assembly will take the subject in hand. We go even further than the recommendation of the Governor. We honestly think our legislature should prohibit the circulation in this State of any bank note of a less denomination than twenty dollars. With such a law, prohibiting the circulation of bank notes of a less denomination than twenty dollars, we will always be able to defy the storms that sweep over the monetary affairs of other States.—*Little Rock Democrat*.

ILLINOIS.—Recently a porter of B. W. Phillips & Co., Bankers, was knocked down and robbed of three packages of money, containing altogether the sum of *fourteen hundred and eighty dollars*. Let Chicago adopt a Clearing House, and all risks of robbery and nine-tenths of the labor of the exchanges will be avoided.

INDIANA.—A Bank has been opened at Cannelton, Perry county, under the name of the Farmers and Merchants', or Farmers and Mechanics' Bank of Cannelton, the managers of which are all strangers in this section of the State. As yet none of its bills have made their appearance in the vicinity of the Bank, and consequently no test of its ability to redeem its issues has been had. It is reported that large amounts of its bills have been circulated in the North-west. Its bills are quoted in some of the Bank Note Lists as good, and at a half and one per cent. discount. As the Bank is unauthorized by law, and nothing is known of the responsibility of the owners and managers, it will be well for the public to be cautious in giving currency to its promises to pay.—*Evansville Journal*.

We see that an indignant member of the Indiana legislature, who has probably "suffered some" by such institutions, has introduced a bill making the issue of bogus bank bills a penitentiary offence. It is doubtful, however, if there will be any really efficient legislation on the subject.

State Bank.—The redemption of the notes of the old State Bank of Indiana cannot be legally enforced after January 1st, but we observe by a notice in the official paper of the State, that the several branches have made arrangements by which the circulation of each is to be redeemed at whatever time presented. The "effaced notes," such as are so obliterated that the place of payment cannot be ascertained, will be redeemed at the Sinking Fund office for three years coming, and the others at some banking house or public place in the town where the branch has been located. The voluntary arrangement—the legal obligation ceasing on the first of January next—is in keeping with the good character of the State Bank of Indiana.

Bank of the State of Indiana.—The Parent Bank at Indianapolis, of which James M. Ray, Esq., is Cashier, transacts no business beyond that of a Board of Control over the several branches. All remittances, &c., for the Bank at Indianapolis, should be addressed to C. S. Stevenson, Esq., who is Cashier of the *Branch* of the Bank of the State of Indiana at that place.

IOWA.—The *Muscatine Journal* states that it is expected that the various branches of the State Bank of Iowa will begin to issue bills about the first of January. The plates, &c., are being engraved, and that one thousand sheets of each plate (\$42,000)

will be forwarded this week, and every two days thereafter two thousand sheets of one plate, and one thousand of the other, will be sent. In the meantime the notes will be registered, so that, by the first of January, each branch will probably have enough to commence business.

Davenport.—The Merchants' Branch Bank at Davenport commenced business on the 22d of December.

KENTUCKY.—*Bank Stocks* are all held at high rates, paying dividends of 8 to 12 per cent. annually. Bank of Kentucky shares are held at 112 to 115; Farmers' Bank of Kentucky 118 a 120; Northern Bank 118 a 120; Southern Bank 108 a 110; Commercial Bank 108 a 110.

MICHIGAN.—The vote of the people upon the General Banking Law, in November last, was largely in favor of its adoption. The majority was about 20,000.

Mr. Clement.—H. C. Kibbee, Esq., formerly President and now Receiver of the Bank of Macomb County, gives notice that the bills of that bank must be presented for redemption at his office in Detroit, on or before the 25th of January, 1859.

OHIO.—Thomas P. Handy, Esq., has been chosen President of the Commercial Bank at Cleveland, in place of William A. Otis, Esq., resigned. Daniel P. Eels, Esq., succeeds Mr. Handy as Cashier.

Injunction forbidding the Collection of a Bank Tax.—The Legislature last winter passed an act entitled "An act to tax the property of banks and bankers, so as to require all property employed in banking to bear a burden of taxation equal to that imposed upon the property of other persons." Under this law, the treasurers of the several counties have sought to compel the varied branches of the State Bank of Ohio to pay the usual tax upon capital, which they have declined doing, under the law passed February 24, 1845, which provides that if the banks shall semi-annually, at the usual period of declaring a dividend, set off to the State six per cent. of the profits, it shall be received in lieu of all taxes to which said company or the stockholders would be subject on account of stock owned by them.

John McColgin, Esq., Treasurer of Brown county, undertook, or was about instituting proceedings, to compel the Branch of the State Bank at Ripley, to pay the tax levied upon the grand duplicate under the law passed by the last Legislature. The attorneys for the bank yesterday filed a bill in Chancery in the United States Court, praying that an injunction may issue restraining the said treasurer from proceeding to collect the tax levied against the bank. Upon the reading of the bill, Judge Leavitt granted a full and complete injunction, as prayed for, the bank officers alleging that they have faithfully complied with the law of 1845, by setting off the six per cent. to the State, but that the State Auditor refuses to draw an order for the funds so appropriated.—*Cincinnati Gazette*, Dec. 9.

New Bank Note List.—Messrs. Gwynne & Day, No. 12 Wall street, publish monthly "The Bank Note Register and Detector of Counterfeits" at Fifty Cents per annum, or \$2 50 for the weekly publication. Attached to their "Register" is a series of *fac-simile* engravings of gold and silver coins, which will be valuable to bankers.

The Western Bank of Scotland.—*Action by the Liquidators against the Directors.*—We understand that the liquidators have been advised by eminent counsel that the proper title to sue the Directors is vested in them, and, assuming that they have a well-founded case against them, that they are warranted in employing the funds of the Bank in prosecuting the same, without waiting till the whole debts of the bank are paid. In this view of their position and duties, the liquidators have entered upon a farther and closer investigation into the affairs and management of the bank since the year 1847, and have made arrangements for carrying out the object in view. In particular, they have resolved to call in the assistance of eminent professional parties in Edinburgh, under whose charge they have placed the whole question with the Directors apart from the general law business in the liquidation, and counsel have been retained for the contemplated action. This was reported to a meeting of the committee of shareholders held on the 26th in Glasgow. Further consultations must still take place, but we believe we are safe in stating that in a short time a very formidable summons against the directors will be served and brought into court, concluding, in all probability, in the total loss arising from the mismanagement of this disastrous concern.—*Scotsman*.

Mr. George Earle Gray has been appointed chief accountant of the Bank of England in place of Mr. Smee, lately deceased. With regard to the services of the latter gentleman, the following resolution was passed at the Court of Directors.

"Resolved,—That this Court desires to record the high sense it entertains of the long and faithful services of Mr. Smee for a period of 58 years, of the high integrity of his character, and his indefatigable exertions in the discharge of his duty as chief accountant for 28 years."

London.—The "London Gazette" contains a notice of application for a charter for the Bank of British Columbia and Vancouver's Island.

Bank Note Detectors.—The investigation into the affairs of the Litchfield (Conn.) Bank has brought to light some statements which have a public interest. It was testified that \$1,833 66 had been paid to some of the New York Bank Note Detectors, as a sort of "hush money," to induce them to quote the bills of the bank at or near par, to give them currency, and help the Stock of the Bank. It also appeared that one Rumsey, the first owner or manager of the Bank, agreed to pay these Detectors \$1000 "not to blow the Bank," and the names of Monroe, Dye and Taylor are mentioned as the parties who received the different amounts.

PRIVATE BANKERS.

We call attention to the cards of several banking houses, for the first time published in the advertising pages of this Magazine. From the references given in each page their responsibility is shown. We would again reiterate the advantages which Bankers derive in thus publishing their cards and references; in getting collections and making correspondents. The price for each card is small, and would not cover the expense of printing one-fourth of the number of impressions, if made separately. The number of impressions of each card printed every year is over *twenty-two thousand*, and they go to the desks of nearly all the Cashiers and offices of private Bankers in the country, as well as to Canada, Europe and elsewhere. The expense of printing and postage in sending an equal number of cards printed separately, would be nearly a hundred times as great.

NEW YORK STATE.—We refer to the new card in this number of Messrs. Schell & Hemmip, of Geneva, New York State, who offer to make collections in the central and western parts of the State.

New York City.—We call attention to the advertisement of Messrs. J. M. Bradstreet & Co. of their Reference Guide. An accurate work of this description is a necessity to Banks and private Bankers throughout the west doing an exchange business; as it is the only means by which they can find out the responsibility and standing in the different cities of the *drawees* of drafts, which they purchase. One bad debt saved by means of the information given in a Reference Guide would pay many times over the cost of the book. As the value of such a work depends upon its reliability, we have examined the forthcoming volume, containing twenty thousand names, and have confidence in its accuracy. Orders supplied through this office. Price, Fifty Dollars.

New York City.—The Card of Messrs. John B. Murray & Co., Wall street, may be found in the Bankers' Register of this year.

ILLINOIS.—Messrs. Flachs, Jansen & Co. have established a Banking-House in the rapidly-growing town of Quincy, Adams County, Illinois. They offer to make collections in Western Illinois and in Missouri. [See their card on the cover of this work.]

Warsaw.—The new house of Messrs. Pearson, Mellen & Co., Warsaw, Illinois, gives a list of their references; they have facilities for making collections in Western Illinois and Eastern Iowa. [See their card on the cover of this work.]

Kewanee.—The firm of Preston, Morse & Co., at Kewanee, Henry County, was dissolved in October last, and is succeeded by Messrs. George A. Morse and O. H. Loomis, under the style of George A. Morse & Co. [See their card.]

TEXAS.—The Card of Messrs. Cravens & Gooch will be found in this number, calling attention to facilities for making collections in Texas. The absence of Banks of issue in this State makes the formation of reliable private Banking houses of great importance to eastern merchants. In the area of four hundred miles north of Galveston and east of Austin there is no other banking house except the one here referred to. We also refer to the cards of Bankers in Galveston and San Antonio.

IOWA.—Messrs. William Thompson & Co., Keokuk, Iowa, are successors to Hatch & Thompson of that city. The situation of Keokuk gives facilities of speedy communication with the interior of Southern Iowa.

MINNESOTA.—The firm of Messrs. Pease, Chalfant & Co. of Saint Paul, succeeds that of Bostwick, Pease & Co. of the same city. This firm present claims for New York business from their connections in this State.

Mr. EDWARD L. LEE, Banker, Buffalo, has issued the first number of "The Bank Note Register and Counterfeit Detector." In addition to the ordinary list of counterfeits, this weekly publication contains copious information as to the rates of exchange, suspended banks, &c. We copy from it the following details:

RATES OF EXCHANGE ON NEW YORK CITY.

At Boston, Mass.....	par@1-10 pr.	At St. Louis, Mo.....	$\frac{1}{2}$ prem.
At Baltimore, Md.....	" "	At Louisville, Ky.....	$\frac{1}{2}$ "
At Philadelphia, Pa.....	" "	At Richmond, Va.....	$\frac{1}{8}$ "
At Galveston, Texas.....	$\frac{1}{2}$ @ $\frac{1}{2}$ prem.	At Wilmington, N. C.....	$\frac{1}{2}$ "
At Mobile, Ala.....	$\frac{1}{2}$ disc't.	At Nashville, Tenn.....	$\frac{1}{2}$ "
At New Orleans, La.....	$\frac{1}{2}$ disc't.	At Detroit, Mich.....	$\frac{1}{2}$ "
At Cincinnati, Ohio.....	$\frac{1}{2}$ prem.	At Milwaukee, Wis.....	1 "
At Cleveland, Ohio.....	$\frac{1}{2}$ "	At Dubuque, Iowa.....	1 $\frac{1}{2}$ "
At Chicago, Ill.....	1 "	At Montreal, C. W.....	$\frac{1}{2}$ "
At Charleston, S. C.....	$\frac{1}{2}$ @ $\frac{1}{2}$	At Hamilton, C. W.....	$\frac{1}{2}$ "
At Savannah, Ga.....	$\frac{1}{2}$ @ $\frac{1}{2}$	At Toronto, C. W.....	$\frac{1}{2}$ "

THE NEW CENT.

The Act of Congress of February, 1857, provides as follows:—

SEC. 4. *And be it further enacted*, That from and after the passage of this act, the standard weight of the cent coined at the mint shall be seventy-two grains, or three-twentieths of one ounce troy, with no greater deviation than four grains in each piece; and said cent shall be composed of eighty-eight per centum of copper and twelve per centum of nickel, of such shape and device as may be fixed by the director of the mint, with the approbation of the Secretary of the Treasury; and the coinage of the half cent shall cease.

SEC. 5. *And be it further enacted*, That the treasurer of the mint, under the instruction of the Secretary of the Treasury, shall, from time to time, purchase from the bullion fund of the mint the materials necessary for the coinage of such cent piece, and transfer the same to the proper operative officers of the mint, to be manufactured and returned in coin. And the laws in force relating to the mint and the coinage of the precious metals, and in regard to the sale and distribution of the copper coins, shall, so far as applicable, be extended to the coinage herein provided for: *Provided*, that the net profits of said coinage, ascertained in like manner as is prescribed in the second section of this act, shall be transferred to the Treasury of the United States.

SEC. 6. *And be it further enacted*, That it shall be lawful to pay out the said cent at the mint, in exchange for any of the gold and silver coins of the United States, and also in exchange for the former copper coins issued; and it shall be lawful to transmit parcels of the said cents, from

time to time, to the assistant treasurers, depositaries, and other officers of the United States, under general regulations proposed by the director of the mint, and approved by the Secretary of the Treasury, for exchange as aforesaid. And it shall also be lawful, for the space of two years from the passage of this act, and no longer, to pay out at the mint, the cents aforesaid, for the fractional parts of the dollar hereinbefore named, at their nominal value of twenty-five, twelve and a half, and six and a quarter cents respectively.

The following is an engraving of the new cent coined in 1857, and in use to this date:—

CENT OF 1857.



The following is an engraving of the new cent authorized by the Secretary of the Treasury to be coined. These will be in circulation in January 1859:—

CENT OF 1859.



Weight, seventy-two grains, or three-twentieths of an ounce troy; eighty-eight per cent of copper, and twelve per cent of nickel.

Collections in the South and West.—Several new banking houses have commenced operations lately. The cards of these may be found on the cover of this work, and a complete list of all the banking houses, as well as of all the banks in the United States, may be found in the "Merchants and Bankers' Register," for 1859. The cards of bankers in the following places may be found on the cover of this magazine:

NEW YORK.—New York City, Geneva, Phelps.
 PENNSYLVANIA.—Philadelphia, Pittsburg, Scranton.
 DISTRICT OF COLUMBIA.—Washington.
 VIRGINIA.—Fredericksburg, Lynchburg, Richmond.
 MARYLAND.—Baltimore.
 CALIFORNIA.—Sacramento.
 ILLINOIS.—Beardstown, Chicago, Dixon, Kewanee, Moline, Peoria, Peru, Rockford, Quincy, Springfield, Sterling, Warsaw.
 INDIANA.—Fort Wayne, New Albany, Richmond.
 IOWA.—Burlington, Cedar Rapids, Council Bluffs, Clinton, Fairfield, Davenport, Des Moines, Dubuque, Fort Dodge, Iowa City, Keokuk, Muscatine, Ottumwa, Sioux City.
 KENTUCKY.—Lexington, Louisville.
 MICHIGAN.—Battle Creek, Grand Rapids.
 MINNESOTA.—Minneapolis, St. Paul.
 MISSOURI.—Boonville, Glasgow, Hannibal, St. Louis.
 OHIO.—Cincinnati, Cleveland, Newark, Sandusky, Toledo, Zanesville.
 TENNESSEE.—Nashville.—TEXAS.—Galveston, Palestine, San Antonio.
 WISCONSIN.—Milwaukee, Mineral Point, Fond du Lac, Stevens' Point.
 CANADA.—Kingston, &c.

Notes on the Money Market.

NEW YORK, DECEMBER 28, 1858.

Exchange on London, at Sixty days' sight, 9½ a 9¾ premium.

The month of December has exhibited very slight changes in the money market. Money on call is abundant at 3½ a 4½ per cent. on first class securities, and 5 a 7 on second class. There is, perhaps, less disposition at present to invest or to make loans, as is usual at the close of the year. The early part of January will release eight or ten millions of dollars as dividends and interest on bonds, &c.; and after the opening of the new year there will be a further impetus given to the stock and bond market.

The rates of foreign exchange have advanced slightly during the month. Bankers' bills on London are for this week's steamer quoted at 109½ a 110. The supply of sterling bills from Southern cities is very limited. We annex the rates for four months past:

	Sept. 24.	Oct. 25.	Nov. 25.	Dec. 28.
London, 60 days, Bankers' Bills,.....	110 a 110½	109½ a 110	109½ a 109½	109½ a 109½
Do do Mercantile Bills,	109 a 109½	109 a 109½	108½ a 109	108½ a 109½
Do do with Bills of Lading,	109 a 109½	108½ a 109	107½ a 108½	108 a 108½
Paris, 60 days' sight,	5.13½ a 5.11½	5.12½ a 5.11½	5.16½ a 5.15	5.15½ a 5.13½
Antwerp, "	5.12½ a 5.11½	5.12½ a 5.11½	5.15 a 5.13½	5.15½ a 5.13½
Hamburg, "	36½ a 36½	36½ a 36½	36½ a 36½	36½ a 36½
Bremen, "	79½ a 79½	79½ a 79½	79 a 79½	79 a 79½
Amsterdam, "	42½ a 42½	41½ a 41½	41½ a 41½	41½ a 41½

The funds have been fully provided for the semi-annual interest maturing on the 1st of January on the bonds of Missouri, Virginia, Georgia, North Carolina, &c. The usual dividend of four per cent. has been declared by the New York Central Railroad company on a capital of \$24,000,000. The Chicago and Rock Island Railroad, Galena and Chicago Railroad, Michigan Central Railroad, and Cleveland and Toledo Railroad companies have deferred dividends for the present.

The export of coin to Europe has continued in moderate amounts during the month of December, showing an aggregate of \$25,942,000 for the whole year, from this port alone, the average for the past six years being about \$33,000,000, viz.:

1853.....	\$26,362,000	1856.....	\$36,338,000
1854.....	37,147,000	1857.....	44,005,000
1855.....	27,207,000	1858.....	25,942,000

The annexed table shows the changes for the present month in the banking movements of the city, compared with previous dates:

1858.	Loans.	Circulation.	Deposits.	Sub-Treasury.	Bank Specie.	Total Specie.
Jan. 2,	\$98,549,000	\$6,490,000	\$78,635,000	\$3,259,000	\$28,561,000	\$31,820,000
Feb. 6,	103,602,900	6,873,000	86,000,000	3,168,700	30,652,900	33,821,600
Mar. 6,	105,021,000	6,854,000	90,382,000	2,996,700	32,739,700	35,736,400
April 3,	110,588,000	7,232,000	93,589,000	5,548,000	31,530,000	37,078,000
April 24,	111,003,000	7,140,000	95,340,000	3,695,000	34,113,800	37,808,800
May 1,	111,863,000	7,431,000	98,438,000	3,145,400	35,061,200	38,209,600
June 5,	116,424,000	7,548,000	101,489,000	5,263,300	32,790,300	38,053,600
July 3,	119,812,000	7,458,000	186,803,000	5,820,000	33,830,200	39,650,200
Aug. 7,	120,892,000	7,784,000	107,454,000	5,553,000	35,145,000	40,698,000
Sept. 4,	125,885,000	7,748,000	103,347,000	13,077,000	28,848,000	41,125,000
Oct. 2,	123,639,000	7,875,000	104,901,000	11,100,600	28,533,000	39,633,700
Nov. 6,	126,809,000	8,186,000	109,217,400	8,256,000	26,337,300	34,593,300
Nov. 27,	125,575,000	7,652,000	86,733,000	6,786,700	27,157,760	33,944,460
Dec. 4,	126,338,000	7,837,000	89,541,000	6,345,500	27,407,700	33,753,200
Dec. 11,	126,520,000	7,750,000	88,981,000	6,344,000	27,195,000	33,539,000
Dec. 18,	127,055,000	7,710,000	89,690,000	6,235,900	26,608,800	32,844,700
Dec. 25,	126,716,000	7,704,000	88,679,000	6,008,300	26,368,200	33,376,500

The Bank of England, on the 9th inst., reduced their rate of discount from 3 to 2½ per cent. The step was quite unexpected. The English funds had been dull prior to this event, but upon its becoming known, an improved tone set in, and an advance of ¼ a ½ per cent. in consols was established. On the 10th, the market was animated, but fluctuating. The closing price for consols for account was 97½ a 97¾. There were no transactions for money—the transfer books being shut. In the open discount market there was rather an increased demand for money, and at the reduced rate it was considered that the applications at the Bank would be numerous up to the end of the month. On the Stock Exchange the rate for loans until January, continued at 2 per cent. At most places on the Continent, the supply of money was abundant. At Paris the rate was 3 per cent.; at Hamburg, 2; at Frankfort, 4; at Amsterdam, 3½; and at Brussels, 3 per cent. The weekly returns of the Bank of England show an increase in the specie of £144,857.

Thirty-one banks, with an aggregate capital of thirty-seven and a half millions of dollars, pay their dividends in July and January. The average semi-annual dividends paid by these banks is 3½ per cent., making the amount of city bank dividends payable on the 1st January, one-and-a-half millions of dollars. The semi-annual interest on about sixty millions of dollars of State Bonds is payable in this city. The dividends on railroad shares, and the interest on railroad bonds, can only be estimated. We have, however, made inquiries, and give the following table as a rough estimate of the different amounts:

**Approximate Statement of the Amount of Dividends, Interest, &c., payable in New York,
January 1, 1859.**

Bank shares, semi-annual dividends,.....	\$1,500,000
United States and State stocks, semi-annual interest,.....	2,000,000
Railroad shares and bonds, semi-annual dividend and interest,.....	3,700,000
City and county bonds, and miscellaneous, semi-annual dividend and interest,.....	1,800,000
Total,.....	\$9,000,000

These figures appear large, but they are moderate estimates when we consider, 1st, that one thousand millions of dollars are invested in railroads, the interest and dividends on which are generally made payable in New York; 2dly, that the aggregate State debt is two hundred and forty millions, the interest of which is partly paid in this city. And again, considering the city and county debts, and stock companies, which make their interests and dividends payable in New York, we can form some estimate of the importance of New York city as a financial centre, and the amount of money employed in the payment of the semi-annual interest, &c., on capital invested in the various incorporated companies and in State loans.

DEATHS.

At New York, Monday, November 15th, ROBERT STRONG, Esq., in the sixty-fourth year of his age, Cashier of the City Bank. Mr. S. had been forty years connected with this bank, and for fifteen years its Cashier.

In GARDINER, MAINE, December 18th, Captain WILLIAM B. GRANT, aged sixty-six years. President of the Gardiner Bank.

Important to Banks and Bankers.—"The Merchants and Bankers' Register for 1859" will be issued on the 15th January, one vol. octavo, 250 pages, containing:
I. An accurate List of the Banks in every State in the Union; the location and capital of each, names of president and cashier of each. II. A List of private bankers in every town and city of the U. S. III. The Banks of Canada, and their foreign agents. IV. Directors and Officers of the Bank of England. V. List of Bankers in London. VI. A List of three thousand Banks and Private Bankers in Europe, Asia, Australia, South America, West Indies, &c. VII. An Alphabetical List of Cashiers in the United States. VIII. List of Standard Works on Banking, Currency, Finance, Bills of Exchange. IX. The Free Banking Laws of Massachusetts, New York, Illinois, Indiana, Iowa, Louisiana, Michigan, Minnesota, Wisconsin.
Copies Mailed to Order, price \$1 25. Postage prepaid.

THE
BANKERS' MAGAZINE,
AND
Statistical Register.

VOL. VIII. NEW SERIES. FEBRUARY, 1859. No. 8.

NEW VIEWS OF THE CURRENCY QUESTION.

Papers read before the Currency Reform Association of New York.

No. IV.—BY GEORGE D. LYMAN.—*Read October 28th, 1858.*

It is a well established fact, that the increase of currency, the circulating medium of exchange, or money, enhances the price of all other commodities in like proportion.

It is equally true that the best currency is that which is least subject to change in its volume, and which expresses in itself an actual value independent of the nominal value it receives by its use as money.

These conditions are fulfilled by no other currency than that of gold and silver. If there were no other currency in use, the price of all commodities would be established by the law of supply and demand, and would be measured by a currency the relative value of which would be governed by the same law. The change of prices would be confined within narrow limits, and could neither be sudden, great, nor rapid. We are in this city, and throughout our whole country, subject to excessive changes in the price of all that we buy and sell. Fortunes are rapidly made, and more frequently as rapidly lost thereby. All prices are changing continually, and the prices of those things in which we deal most are subject to the greatest changes. They appear to be governed by no law, confined within no bounds, or at least in none that we set.

This is also true of the price for the use of money, or of that we call money. Nowhere else in the civilized world is the range of price so wide,

or the changes so violent and unexpected. We plunge from the highest to the lowest rate of interest within a few days or months.

Nor is there the least uniformity of price as in all other commercial countries. At this moment the rate of interest in this country ranges from three to thirty per cent. per year, and rarely is it the same at the same time in any two localities. We know not to-day what the price of any thing will be to-morrow.

This is true now, and so it has always been with us, and it would seem as if the experience of the past should have taught us to remedy an evil so fearful, but it has not. Revulsion, as we term it, after revulsion, with panic and ruin has swept over the land, carrying with it wide-spread misery and distress, starvation to the laborer, causing suffering and crime that no words can describe, and shaking nearly to their foundations all our institutions. *Down, down*, we dive into bankruptcy and repudiation. Then after a short pause, a brief rest, all is again prosperous, prices advance, business revives, labor is employed, the country grows, money is plenty and easy to obtain; we look each other in the face and say: What a wonderful country, what tremendous energies, what extraordinary recuperative powers we possess! nothing in the old world can equal this.

Our prices continue to rise, the rate of interest advances, paper is plenty, good dividends are made, reams upon reams of bonds, of mortgages, of notes, and all the various forms of the evidences of debt, circulate freely from hand to hand. All is again seemingly bright and prosperous, but our importations increase, our exports other than stocks and bonds diminish, we ship some coin. What matter? Have we not a *California* to produce it? Is not gold one of our products? We want the manufactures of England and France, far more than we want our gold; we dig that out of our soil. Let them manufacture for us our raw materials with their labor at low prices, we pay high prices here, and have the money to do it with too. So it goes on, until, after having in a few years reached our highest condition of prosperity, there comes as comes the whirlwind, another revulsion, alas, more disastrous, more unexpected than before. We ask the cause, and are told by one that the fault is all owing to the stupidity of the Banks. That they will not discount, that they are contracting when they should expand, that they ought to follow the example of the public and extend their liabilities, and because they will not do so they have caused the revulsion, and that they must now *be forced* to suspend specie payments, to repudiate their contracts to pay money on demand, if you would have things easy again.

Another tells you that the trouble all comes from the want of a protective tariff. Only put a tax on the merchandise that we import, that will make the cost here equal to the cost of production at our standard of high prices, and we shall be all right. We must protect our home industry.

Does not this one overlook the fact that when we are all right, prices are constantly advancing, because we are then literally manufacturing money or rather currency out of debt, and thus increasing the cost of production?

Does he not also forget that of which we boast so much, our freedom, our right to buy where we can buy the cheapest, and our right to sell where we can sell, for the highest price? If it be right to restrict the importation of merchandise, is it not equally right to restrict the exportation

of our products? Home industry would be affected as much by that restriction as the other, and in the same way.

Is it not true that the best condition of man, is that of the least restraint, the largest liberty to do that which is not wrong? The true reason why we import so much that we should produce, is because our measure of price is larger than that used by the countries from which we import. In other words, that by making the value, not the price, of our currency less, degrading it by enlarging its volume, we necessarily make the price of commodities, labor, every thing but currency, higher than they do, and so we buy from them, and pay as long as we can with our money of real value at their standard of price, retaining only the currency of nominal value, representative of and based upon debt for our home use.

The trouble, the whole trouble, grows out of the use of a mixed currency composed so largely of paper promises, to pay money, "Debt currency," as Mr. Carroll so justly calls it, the volume of which may be increased at the pleasure of the makers, as long as prices can be kept advancing, which is as long as we have money of actual value or credit to exchange for our imports, after having checked our exports by the general advance of prices created by the excessive use of a fictitious currency, *valueless beyond our limits and valueless within them, when the value is culled for.*

The only check under our present system, to the inflation of prices, is that imposed by our foreign exchanges, and our independent treasury.

The form of that large part of our currency which represents debt is a matter of no consequence when viewed in this light. It may be the promise of a bank to pay, secured by another promise; or it may be unsecured bank notes, or in the form of checks, drafts, certificates of deposit; it matters not what, so long as it is valueless in itself and represents only debt. The sooner we return to the exclusive use of the only legal money of the country, the sooner shall we be relieved from the evils of revulsions, panics, and general periodical bankruptcy. The buying and selling of merchandise will then no longer be a game of chance, with many more blanks than prizes. No longer will it be true that nine men out of ten who engage in mercantile pursuits, will fail in business. Overtrading will be checked, and the prices of commodities will be regular and uniform, varied only by supply and demand, and the gradual increase of the precious metals. The balance of trade would be turned in our favor, and we should soon be the richest people on the face of the globe, and this city the great commercial and money mart of the world. I trust that the committee who have now in consideration some plan, by which results of such vast importance may be obtained, will be able to suggest such reforms in our currency as may remedy the existing evils.

ADDRESS ON THE CURRENCY.

By HON. JAMES GUTHRIE, late Secretary of the Treasury.

[Reported for the Bankers' Magazine exclusively.]

Delivered at a meeting of the friends of a sound currency, held in Clinton Hall, in the rooms of the Mercantile Library Association, November 3, 1858, James Gallatin, Esq., in the Chair.

Being called upon by the Chairman to address the meeting,

Mr. Guthrie remarked, that it had been for some years his business to superintend the operations of the Treasury, and thus to become acquainted with the movements of the currency and the monetary affairs of the country. The sub-treasury system is useful, but ineffectual to overcome the adverse influence exerted upon the currency by the numerous banks existing in nearly thirty States of this Union. This is more especially true of the small note currency, put out to circulate as money by these banks. This currency is fraught with injury to the best interests of the country, and when we contemplate the extent of the influence of these banks, with the power which the wide-spread circulation of their paper confers upon them, it would seem to be impossible to reform our currency in any other way than that which the constitution provided, by the exercise of the powers of the general government. To accomplish this, we must first reform the decisions of our courts, which had decided that the States had power to charter banks of issue. There can be no doubt that this decision is erroneous; bank bills are bills of credit, which the constitution prohibits the States from issuing, and a State cannot perform through an institution created by its laws what the constitution prohibits the State from doing itself. An agent cannot do what is prohibited to his principal.

As to attempting the control of all the banks of the Union, it is involved in great difficulties. The sub-treasury, by employing real money, has been of great service to the people as well as the government, and if the example were followed by the States, cities, corporations and people, we would have a currency of the best possible character. But even under a specie currency we would still have panics and revulsions, although all the panics in his lifetime had been produced by paper money. Now, if we got rid of paper money, there would still be causes of panic in the fluctuations of our foreign trade, in the recurrence of short crops here or in countries in correspondence with us, and panics from short crops were an evil which a specie currency could not avert.

Our systems of taxation for the support of the general government, and our currency system, present in their practical operations one of the strongest arguments in favor of the general government having entire control of the currency, in accordance with the provisions of the constitution. Whenever our tariffs are laid with a view to revenue, the States proceed to increase the issues of paper money by means of their banks; prices of commodities are thus increased, home production becomes un-

profitable, the protective powers of the tariff are thus counteracted, and our coin is abstracted by an excess of foreign imports and a falling off in home productions or exports. And it is to be remarked, that this system of destroying the protective powers of the tariff prevails most in the manufacturing States that clamor loudest for protective tariffs. Witness the State of Rhode Island, which has more banks and paper money in proportion to wealth and population than any State in the Union. Massachusetts is next to Rhode Island in the excessive employment of banking and paper currencies. These two States, which are the most clamorous for protection, are the two most powerful States in destroying that protection by means of excessive paper currencies.

The men who made the constitution were hard money men; and although we owe our liberties in great part to the pecuniary aid which paper money afforded, yet our experienced fathers prohibited paper money in the constitution, and from the purest motives. We had made paper money before the revolution, and the experience of the colonies was unfavorable to its continuance under the republic. But, notwithstanding the constitutional provision for a metallic currency, the States chartered banks, and the courts decided that the establishment of banks by the States was constitutional. How are we to reverse these decisions? how revolutionize the habits and customs of all these States and all the people of these States on banking and paper currencies? He had hoped that as we increased in wealth, persons of capital would undertake to transact the business of banking on real capital, and thus create a healthy financial system, and by the circulation of coin obliterate all bank notes under the denomination of twenty dollars. He believed that private bankers now used a large amount of capital more profitably, and with greater safety to the community and surer profit to themselves, than corporated institutions. Banks are too often created to borrow money, as insurance companies are got up in our cities, to make provision for personal friends or dependants. Thus a great principle is overlooked, for in creating banks a man aids in doing something that tends to over-trading.

There can be no doubt that the constitution requires a specie currency, but we have bills of credit when the people intended we should have none. He feared we could not get the States to relinquish the power, so long exercised, of creating banks to issue paper money. Could we get the courts to travel back and deny the right of the States? As a lawyer, he did not expect it. As a public man, he doubted the expediency of making the attempt.

In this dilemma, it had occurred to him that the most practicable measure of reform would be for the States to establish sub-treasuries for themselves. He deemed it possible to induce some of the States to do this. The inconveniences of transferring coin might be avoided by a system of management like that which he had witnessed in our bank clearing-house here in New York. The amount of paper currency issued by the New York banks was trifling, yet a very large amount of business is transacted in the clearing-house without the movement of coin, which remains almost stationary in vault. But however salutary clearing-houses might be in their influences, they are not powerful enough. The New York banks are in the power of their depositors in times of panic, and for this the clearing-house provided no remedy.

Can the States be induced to establish sub-treasuries? It is doubtful if a sufficient number of them can be,—a number sufficient to purify the currency of the whole Union. He had therefore come to the conclusion that, after all, our great dependence for reform in the currency, must be upon the intelligence of bank officers.

In reply to an inquiry relative to the influence of deposits on the currency, he had observed that the New York banks purport to hold 100 millions of money, while in reality they have only 28 millions, the latter being the amount of specie on hand. The banks of this city make their profits out of the deposits, while the country banks make theirs out of circulation. Deposits and circulation are the same, they are only different forms of credit. The credit system arising from the difference between the amount of the deposits and the sum of the specie on hand is difficult to be controlled. It can only be reached by the merchants abandoning the use of credit, and in that case the bullion bank would be all that would be wanted.

THE LITERATURE OF AMERICAN NUMISMATICS.

A Paper read before the American Numismatic Society at the second November Meeting.

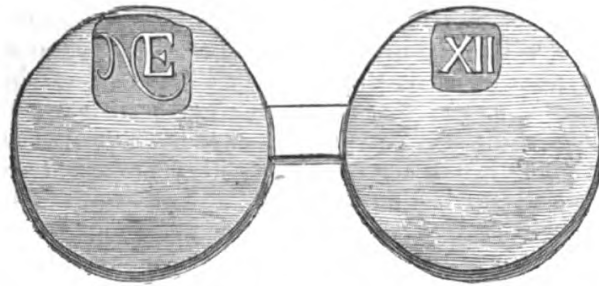
From "Norton's Literary Letter."

THE progress of numismatic investigation and record in the United States has of late been truly remarkable. In the general increase of attention bestowed upon all subjects of an artistic or scientific nature, which has been perceptible among us during the last seven or eight years, the important subject of the national coinage has fully shared; and while a laudable anxiety is now evinced, in many quarters, to acquire for private or public collections specimens of every accessible coin, the history of our own numismatic undertakings has received especial attention, and each successive writer undoubtedly stimulates new students to inquiry.

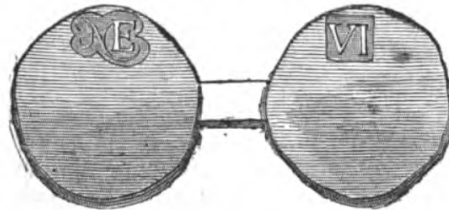
It is a fortunate circumstance for the American beginner in numismatic investigation, that the period to be traversed is one of little more than two hundred years. We are favored in this respect more highly than the archæologists of other countries—the students of English, French, or German numismatics, for example, or the collectors of Roman and Grecian coins or medals. One is appalled at the consideration which is involved in a resolve to master the history of any of these coinages, extending over periods five and six times longer than our own, with a really inconceivable profusion of types and variations to be studied; so that no outlay can procure a complete collection of any one national series, and no amount of inquiry reveal all the mysteries of the ill-recorded coinage. Widely different from these, our own numismatic history lies, compact and accessible, within the range of original record; and there are comparatively few facts relating to it which cannot be vouched for by contemporary authority, though, strange to say, there are some points regarding the coinage immediately following the Revolution which will in all probability never be elu-

culated, while we are perfectly familiar with the Mint Regulations in force during the lifetime of Oliver Cromwell.

The first coinage which took place in the American colonies of Great Britain was ordained by the authorities of Massachusetts in 1652, when it was provided that shillings, sixpences, and threepences should be coined, "for forme flatt, and square on the sides, & stamped on the one side with NE, and on the other side XII^d, VI^d, & III^d, according to the value of each peece."



This issue was shortly followed by the more elaborate Pine Tree money, and very few specimens of it are known to exist. Most of these are in English collections. Twenty dollars is a low price for the New England shilling or sixpence, and the threepence has entirely disappeared.



Besides Massachusetts, others of the Colonies were endowed with especial currencies during the seventeenth century, though by no means to the extent that was really demanded by the exigencies of trade; and among the rarest and most interesting of these early colonial coins may be mentioned the Carolina token, or Elephant piece, so named from the design—a large elephant—on its obverse. The reverse had the legend, God : Preserve : Carolina and : the Lords : Proprietors : 1694. This piece exists in a few collections, and is worth, in moderate preservation, from twelve to fifteen dollars. Besides these there were, as is well known, the Maryland currency, the Massachusetts Elephant piece, the Rosa Americana coppers, and one or two other colonial pieces, all of which are now quite rare.

Fifteen years ago the knowledge of American numismatics was confined to a very few individuals in the United States, and was principally to be found among English coin-collectors. England, pre-eminently the land of moneyed leisure and of energetic study, has long been distinguished by the learning of her numismatists, and the wealth of their collections; so that it is not strange if the history of our coinage could once be studied to better advantage on the banks of the Thames than in our own libraries and cabinets; but the last decade has seen a vast improvement in this respect. The number of American coin-collectors has received greater and greater

accessions annually since 1850, and already Numismatic Societies have been successfully organized in New York and Philadelphia, while a third is contemplated in Boston. The awakening interest has naturally created a class of writers who especially devote themselves to the agreeable and instructive investigation of our coins, medals, and tokens, and the nucleus of an American numismatographical collection is already formed, to which, we have no doubt, valuable works will now be frequently added.

The early history of American coinage is naturally to be sought in the minute detail of facts presented by Ruding, in his "Annals of the British Coinage," which work, an amplification of the preceding one by Martin Folkes, affords particulars, drawn from official sources, of the successive colonial issues, and also of the proposals which were made from time to time for the supply of the colonies with convenient coins. The engravings in Ruding (republished in three volumes 4to., London, 1840) comprise every coin struck in England for the American settlements down to the period of the separation. It is only within a few years that Ruding has been superseded as the only standard authority on American numismatics, although his brief notices of our coins cease at the Revolution, since no other writer made the important subject his own. True, a work published at London in 1761, entitled "The American Negotiator; or, the Various Currencies of the British Colonies in America," by J. Wright, Accountant, purports to give a description of colonial coins, but it is of no value as a record, and was, indeed, intended only for reference in commercial matters. At the time of the adoption of the Federal Constitution, Washington, Franklin, Jefferson, Hamilton, Robert Morris, and other of our Revolutionary heroes, took a deep interest in the affairs of the national coinage, and memoranda still exist, drawn up by several of the individuals we have named, upon the establishment of the currency which is now in vogue, and a resumé of these and other propositions was given in a small pamphlet published in 1789, entitled "Monies, Coins, Weights, and Measures proposed for the United States, &c." As yet, however, the true numismatic spirit was wanting, and the first actual attempts at systematic classification and record of the coins struck in or for the American colonies and United States, appear in the shape of papers to be found in the collections of State Historical Societies.

At a time when "coin-collectors" in the United States were popularly considered little better than monomaniacs, two or three gentlemen—Dr. J. B. Felt, of Salem, Mass., Mr. J. Francis Fisher, of Baltimore, and Dr. Jas. Mease, of Philadelphia—were deeply interested in the subject, and communicated the results of their investigations to societies of which they were members, or published them in a separate form. In the third volume of the New York Historical Society's Collections (pp. 387-404), will be found a highly interesting paper by Dr. Mease, giving a description of seventeen medals struck with reference to America; and this paper the Massachusetts Historical Society republished (Coll., vol. IV., 3d Series, 1834), together with additional particulars from the same hand concerning thirty-three medals presented to the officers of the war of 1812-14; and also of four other miscellaneous American medals.

In Vol. VI., 3d Series of the Massachusetts Collection, Mr. J. F. Fisher communicates a detailed description of thirty-eight American medals, fourteen of which bear the head or the name of Washington; and in Vol. VII.

(1838) of the same series, a paper on Old American Coins gives some particulars regarding the Fugio, New Jersey, and Connecticut cents, the Rosa Americana series, &c., &c. These we believe to be the first distinct essays in American numismatography. In 1839, Dr. J. B. Felt's admirable work on the Massachusetts currency was published, affording a full history of the N. E. and Pine Tree money, the Continental notes, and the coinage at Boston subsequent to the Declaration of Independence; and in 1840, Wm. W. Gouge published at New York his "Paper Money and Banking in the United States," containing some valuable information on the coinage and paper money. In the ensuing decade the interest in numismatics steadily increased, and the work of Eckfeldt and Dubois, of the Philadelphia mint, appeared in 1851, presenting a general tableau of the United States coinage, together with a glance at the contemporary coins of all other nations, the whole illustrated with very fine colored plates. A smaller work, on American Coins and Coinage, was published by the same parties at New York in 1852. It had previously appeared in successive numbers of the *Bankers' Magazine*. In 1850, Dr. O'Callaghan presented illustrations, in his "Documentary History of New York" (Vol. III.), of the copper coins struck for this State *circa* 1790, together with an engraving of the great Libertas Americana medal, and the Washington Cent of 1783; and in the Transactions of the American Antiquarian Society, Vol. III., Boston, 1857, the "Diaries of John Hull, Mint-Master and Treasurer of Massachusetts Bay in 1652," are reprinted, together with a memoir of the diarist and engravings of the Pine Tree coins. Within the last few years, moreover, American numismatics have been the subject of frequent discussions in the periodical press. Not until 1858, however, did a work appear devoted exclusively to American coins. The "Historical Account of American Coinage," by John H. Hickox, was published at Albany, N. Y., in August last. This work contains plates of early American coins, and was gladly received by numismatic students. The mention of one more work will complete our catalogue. This is the "History of American Tokens," published in 1858, by Mr. Bushnell, of New York, containing plates and much very valuable descriptive matter. We understand that a very elaborate and comprehensive work on American Coinage is to appear shortly at Philadelphia, and that Mr. Bushnell has a similar treatise in preparation; but these cannot yet be considered as portions of our subject. A few catalogues have of late been issued by dealers, which are valuable as standards of price; and Mr. Mickley, of Philadelphia, recently published a list of American copper and silver coins, with degrees of rarity attached, which is a useful *vade mecum* to the collector. We understand that a more extensive catalogue is in preparation. A few years more will undoubtedly greatly enlarge our list, and fill up the deficiencies still existing in American numismatography.



SPECIMEN OF MARYLAND COIN.

BANKING AND CURRENCY IN INDIANA.

1. It seems that the common law right of issuing paper, representing money, and to be used as currency by private bankers, has never had any existence by the usages of this country, such paper having uniformly been issued by the government, or by banks authorized by government.
2. By the Constitution of Indiana, no bank of issue can be established, except a State bank, and free or private banks, pursuant to the general banking law.
3. It hence appears that an association of individuals, for the purpose of banking, not in pursuance of any statute law, is an illegal institution.

ANDERSON, McLEAN & COMPANY vs. ALEXANDER ET AL.—*In the Putnam (Indiana) Circuit Court.*—The opinion of the Court, in which the facts fully appear, was delivered by PERKINS, J.

This is a suit to recover the amount of certain notes purporting to be issued by the Citizens' Bank of Gosport. The suit is against the stockholders of the bank in their individual capacity. The main ground of defence is, that the bank is an illegal institution, and its issues void. The bank was organized by an association of individuals, for the purpose of doing a general banking business, including the issuing of notes to circulate as money. Engraved plates were procured, bills of various denominations, payable to the bearer, in the exact similitude of bank-notes, printed, issued, and put into circulation by the company. No securities were filed with the Auditor of the State. The organization was not, and was not intended to be, in pursuance of any statute law. And these questions are presented by the case:

1. Is the right to issue bills to circulate as money, a natural or common law right? 2. If so, is it placed under restrictions by our constitution and statutes? 3. If so, and the bills were issued without authority of law, are the issuers legally liable to pay them?

Banking originated in the exercise of a natural or common law right, as does, perhaps, every other pursuit, and was called into existence by the wants of the public. It at first consisted in receiving money on deposit, loaning it to customers, buying and selling bills of exchange, &c. For money deposited, the bankers gave notes or certificates. These passed from hand to hand, represented actual cash, were called bank or bankers' notes, and hence, as a bank note in its origin, represented money, bank notes came, by usage, to be considered as and taken for money. Subsequently, with the growth of commerce, bankers adopted the practice of issuing their notes, not for sums of money actually deposited, but upon their own credit made payable to bearer. These notes circulated as money. The issue of such notes, it seems, according to the *National Cyclopædia*, a work appearing to be but an abridgment of a much better one under a more humble title, the *Penny Cyclopædia*, was ingrafted into the business of private banking. But in 1694 the Bank of England was established by the government, and to protect it in the enjoyment of its privileges, private banking in England passed under the control of statutes, and the right in

private bankers to issue paper as a circulating medium was restrained. It ceased in that country to be exercised, and strictly private banking became limited to the functions of banks of deposit and discount.

At the period of the establishment of business houses in the North American Colonies, private banks in England did not practise issuing paper to be used as currency. The first issues of paper money here were made by the Colonial and Continental governments, and the second, and all or nearly all subsequent issues were by banks chartered by those or succeeding state or national governments. It may be laid down as a general proposition, that, in this country, paper money has been issued only by government, or banks authorized by government. Such has been the practice in this State, and perhaps it might be safely asserted that the common law right of issuing such paper by private bankers never had an existence in this country. But without determining this point, we proceed to inquire whether the right exists under the present constitution and laws of Indiana.

The subject of banking was a prominent one before the convention that framed our present constitution. The members were divided upon it into three parties :

1. The hard money men—opposed to all bank paper—all banks of issue. 2. Those who wished the issue of such paper to be confined exclusively to a bank chartered by the State. 3. Those who were opposed to any monopoly in the business, but desired it should be open to all the citizens—that banks should be organized upon free trade principles.

The two parties favoring banks of issue, introduced their respective propositions—one for a State bank, the other for free banks. The latter was in these words : “The business of banking shall be free to all, on such terms and restrictions as the legislature shall impose by general laws for such purpose, including the following principles, which shall be obligatory upon all persons, associations or corporations acting under such general laws.” Deb. Con., vol. 2, p. 1414.

In discussing the subject, some of the members of the convention appeared to regard the right to issue bank paper for purposes of circulation as a franchise to be granted by the government ; others as a natural or common law right, but one so liable to abuse, as to require stringent restrictions upon its exercise. Thus, Mr. Rariden said : “The free system is based upon the natural rights of man, under the idea that what is done by man as a citizen may be done by man as a banker. Its friends say they only want to negative certain rights and powers in that branch of business—that it is to be left open and free to all—that whosoever will pledge securities, &c.—this is called free to all.”

Mr. Kelso.—“The plan, as I understand it, is this, or about this : A general law is to be passed by the legislature, authorizing any and all, who choose, to go to banking ; not however without restrictions ; and one of their strongholds is the security they offer to the billholder.”

Judge Howe.—“Now, as to the question of monopoly, that also will be entirely obviated. Under a law of this kind, every one will have a right to bank if he has money enough. All the privileges that have ever been given to a bank, are the rights to sue and be sued in its corporate capacity, and to issue bills. The right of banking is a right which every man has at common law, and this system, instead of extending the right, restricts it. It is a restriction of all banking.”

Professor Read.—"I shall, sir, favor those restrictions, which, in my opinion, will the most certainly secure these principles, (a return to a specie currency, &c.,) and at length bring the country to the true commercial and constitutional medium of exchange. By the general adoption of a species of securities which will gradually disappear, this object will be accomplished, and banking will be restored to its legitimate sphere, which is not the emitting and circulation of bills of credit." Other members expressed like sentiments. 2 vol. Deb., Con., from p. 1414 to 1640.

It clearly appears from the whole discussion, that those members who regarded the right to issue bills at franchise, considered that it could only be exercised, as of course it could only be, under a grant from the legislature, and that those who held it a natural right, regarded the constitution they were framing as a restriction upon the exercise of the right otherwise than in a manner to be prescribed by the legislature. Both regarded the constitution as controlling the subject.

When the propositions came to a vote, the hard money men voted with the free bank men against the State bank section, and with the State bank men against the free bank section, and thus at first defeated both. The free and State bank men then combined and adopted both sections, substantially as introduced.

They provide that the legislature may create a State bank by charter of incorporation, with power to issue bills. This was the proposition of the State bank men. And "2. No banks shall be established otherwise than under a general banking law, except" a State bank; which law shall provide for the registry and countersigning, by an officer of State, "of all paper credit designed to be circulated as money," &c. This was the proposition of the free bank men—Const., Art. IX. This historical view enables us at once to determine the effect to be given to the section of the constitution touching general banking. It was designed to operate on individuals as well as upon the legislature. It prohibits all banking, by way of issuing bills, except in the mode prescribed by statute. It must, by its terms, prohibit general or free banking in any other mode, for the reason that free banks are not, and cannot be established by the legislature. That body can only prescribe the terms, conditions, and mode upon and in which individuals may establish them. The legislature can only establish, in the strict sense of the term, a bank, by granting a special charter. It does not thus establish free banks. Individuals establish them.

Accordingly we find that the legislature has enacted a general law, entitled "an Act to authorize and regulate the business of general banking," which provides that "any number of persons, not less than eleven," may, under prescribed regulations, establish a bank, &c. It seems to us, upon a view of the whole matter, clear, beyond doubt, that no bank of issue can be established in this State under our present constitution, except a State bank, and free or private banks pursuant to the provisions of the general banking law.

This being the case, it follows that the Citizens' bank of Gosport is an illegal institution; and further, that because of its illegality, its issues are void. See *Curtis et al. vs. Leavitt*, 15 New York Court of Appeals, by Smith, p. 1: and being void, the law is well settled that they cannot be made the foundation of an action. Any consideration given for them may be recovered back, but a suit on the bills is not maintainable.

We have no statute, it may be remarked, as we ought to have, making it a penal offence to issue such paper; hence its issuers cannot be punished; but being inhibited by the constitution, and impliedly by statute, though not under a penalty, they are illegal and void. The demurrer is sustained.—*American Law Register, January, 1859.*

RAILROAD LAND GRANTS.

I. IOWA.—II. ALABAMA.—III. FLORIDA.—IV. WISCONSIN.—V. MICHIGAN.—VI. MISSISSIPPI.

THE Report of the Commissioner of the U. S. Land Office enables us to present some interesting statements in regard to the railroad land grants in the different States. In the winter of 1856, Congress appropriated land, in the States in which the amount of unentered land was large, to aid in building railroads. The manner in which these grants were carried through Congress is not commendable, but of the benefits that will result to both the people and to the Government, there can be no reasonable doubt. The policy of aiding the people of a Territory in the development of their resources by protecting their frontier, building roads, &c., if extended, would justify giving aid to new States, in the way of land grants, especially when at the same time the value of the lands left in possession of the Government is increased. The railroads are in fact military roads, by which the Government has easy access to and control over the Western frontier. As an example of this, it may be stated that even now troops can be sent from the Atlantic Coast to the Indian Reservations of the Sioux, Utah, &c., in from three to four days.

The principal railroad land grants were made by the acts of Congress of May 15th and 17th, 3d of June, 11th of August, 1856, and March 3, 1857, giving grants of land for railroad purposes to Iowa, Alabama, Florida, Louisiana, Wisconsin, Michigan, Mississippi, and Minnesota.

The grants were as follow:

Iowa.—The grant to this State by act of May 15, 1856, is for four roads, parallel to each other, traversing the State from east to west, connecting important points on the Mississippi with the Missouri river. The grant had been accepted by the State, and transferred to companies, the lines of route established, their six and fifteen mile lateral limits laid down on the official plats, and lists of land have been prepared.

The following is an exhibit of the length of each road under the grant, and the areas ascertained for each, exclusive of suspended interferences:

	Miles.	Acres.
Dubuque and Pacific Railroad.....	330½	1,137,143
Iowa Central Air Line Railroad.....	438	686,523
Mississippi and Missouri Railroad.....	318	400,000
Burlington and Missouri Railroad.....	276½	252,655
Total.....	1,263	2,476,321

Alabama.—The grant to this State is for eleven roads and one branch, as follows :

By the act of 17th May, 1856, for one road ; 3d June, 1856, for eight ; 11th August, 1856, for one ; and 3d March, 1857, for one road and branch. The Land Office have thus far acted upon the acceptance by the State of the grant for three roads and her rejection of one, viz., that for the Memphis and Charleston. Of the three roads referred to, one is under the act of 17th May, 1856, and two under act of 3d June, 1856. The adjustment of two of them has been nearly completed. The lengths of these roads and quantities inuring to them respectively are as follows :

	Miles.	Acres.
Alabama and Florida Railroad.....	114	398,500
Mobile and Girard Railroad.....	228½	500,000
Alabama and Tennessee Railroad.....	125½	250,000
Total.....	468	1,148,500

In addition to these, a map of the Coosa and Chattoogee river railroad has been presented, but no definite action has been had thereon.

Florida.—The aforesaid act of 17th May, 1856, also makes a grant to Florida. The maps for all of the roads have been filed, except for a portion of the line of road to Tampa Bay ; and the following is the length of the recognized roads and quantities of land inuring :

	Miles.	Acres.
Florida and Alabama Railroad, approved and duly certified to the State.....	45	165,687
Florida, Alabama, and Gulf Central Road.....	60	*27,778
Pensacola and Georgia Railroad.....	290½	†901,000
Florida Railroad Company.....	151½	†280,000
Total.....	547½	1,374,465

Louisiana.—By the act of 3d June, 1856, lands were granted to this State for three roads, and by the act of 11th August, 1856, for one road. Two of the three first mentioned have been accepted, all the official preliminary requirements have been complied with, and the adjustment thereof has so far progressed that the lists are nearly completed for approval.

The grant for the remaining road has been rejected by the State, and the withdrawn lands restored to market.

The length of recognized roads and quantities inuring to them respectively, are as follows :

	Miles.	Acres.
New Orleans, Opelousas, and Great Western.....	263	684,000
Vicksburg, Shreveport, and Texas.....	166	363,670
Total.....	429	1,047,670

Wisconsin.—By the act of 3d June, 1856, a grant was made to this State for two lines of road, one having a branch. The routes and lateral limits have been laid down on the official plats, but as the lists have not

* Nearly completed.

† Estimated.

yet been prepared for the selections, the following is submitted as an *estimate* merely of the probable quantities :

	<i>Miles.</i>	<i>Acres.</i>
La Crosse and Milwaukee Railroad.....	252	725,000
St. Croix and Lake Superior do.....	243	900,000
Chicago, St. Paul, and Fond du Lac Railroad, extending into Michigan, that part being treated of under that head	167	600,000
	<hr/> 662	<hr/> 2,225,000

Michigan.—The act of 3d June, 1856, makes a grant to this State for eight routes (roads and branches). The maps for the roads in the northern peninsula have been filed, that of but one (Chicago, St. Paul, and Fond du Lac), has been definitely acted upon and accepted, the adjustment of the grant being now in progress. Maps of all the lines in the lower peninsula, excepting the Amboy, Hillsdale, Lansing, and Traverse Bay road, have been filed and laid down on the official plats. The lists not having yet been prepared, the following are only estimates :

	<i>Miles.</i>	<i>Acres.</i>
Michigan part of the Chicago, St. Paul, and Fond du Lac railroad	159	575,000
Grand Rapids and Indiana railroad.....	183	660,000
Detroit and Milwaukee.....	107	35,000
Point Huron and Milwaukee	89½	15,000
Flint and Pere Marquette.....	173½	625,000
	<hr/> 712½	<hr/> 1,910,000

Mississippi.—The act of 11th of August, 1856, makes a grant to the State of Mississippi of lands for four railroads, only one of which has been reported, namely, the route from Jackson eastward to the Alabama line, which, by an act of the State, has passed to the Southern Railroad Company. The map has been filed and accepted, the lateral limits of the road laid down on the official plats, and a list of the lands inuring to the State under the grant is nearly ready for approval. The length of the road is one hundred and ten miles; area of lands inuring to the road is two hundred and seven thousand seven hundred and thirty-one acres, exclusive of conflicts, which, when adjusted, may increase the quantity.

Minnesota.—The grant by the act of 3d March, 1857, makes provision in land to aid in the construction of four roads and two branches in Minnesota. The grant has been accepted. The route of one road and its branch, and part of another and its branch, are in progress of being laid down, with their lateral limits, upon the official township plats. When this is accomplished, the work of adjustment will go on. In the mean time, the following *estimates* are submitted :

	<i>Miles.</i>	<i>Acres.</i>
Minnesota and Pacific railroad, (main stem).....	230	850,000
Minnesota and Pacific railroad, (branch).....	116	400,000
Minneapolis and Cedar Valley railroad, (branch)...	112	150,000
	<hr/> 458	<hr/> 1,400,000

* The estimate in last report was upon *direct* lines between the termini. The present statement in this case rests upon the returns of actual survey, giving deflections to the routes necessary in consequence of difficulties encountered in the configuration of the country, and thereby increasing the length of the roads and quantity inuring.

The map of the Southern Minnesota Railroad, and the Transit Railroad, being incomplete and not finally acted upon, are excluded from this estimate.

The following summary indicates the length only, of such of the railroads as are in progress of adjustment under the legislation hereinbefore cited, with the quantities of land, part estimated, inuring to the same:

States.	Miles.	Acres.
Iowa.....	1,263	2,476,321
Alabama.....	468	1,141,297
Florida.....	547	1,374,465
Louisiana.....	429	1,047,670
Wisconsin.....	662	2,225,000
Michigan.....	712	1,910,000
Mississippi.....	110	200,731
Minnesota.....	458	1,400,000
	4,649	11,775,484

When these Railroads are finished, or those now under progress, and bound by contract to be finished in four years, *more than half the distance from Bangor to Puget Sound* can be travelled by railroad, and in from *three to four days*; or from New York city to the mouth of the Big Sioux river on the Missouri, in sixty hours. From the mouth of the Big Sioux there is water communication to Puget Sound, with the exception of four hundred and fifty miles; so that if these four hundred and fifty miles from Fort Benton west are constructed, we shall have railroad and steamboat communication with the Pacific.

Usury Laws of South Carolina.—A bill has been introduced in the Senate of South Carolina to repeal the laws of 1719, 1721, 1748, 1777 and 1830, in reference to usury. The second section is as follows:

SEC. 2. In all cases of debts subsisting, or hereafter to arise, on which interest is recoverable by law, where there is no agreement in writing, signed by the debtor or his agents for the payment of interest at any other rate, interest shall be computed and allowed at the rate of seven per cent. per annum.

SEC. 3. That nothing herein contained shall be construed or understood to authorize any incorporated bank to make loans or discounts at any higher rate of interest than that allowed by the charter of such bank.

No wiser and juster bill can be passed by the Legislature than the above for the modification of the Usury Laws.

1. It will make money, as it should be, an article of trade, whose value will be determined by demand and supply. This is its character and tendency in despite of usury laws, which only derange its functions, and subserve class interests—the interests of the money lender.

2. It is the only way whereby in this State private moneyed capital can be brought into competition with banks and corporations, or whereby banks can be brought into full competition with each other.

3. Its tendency will be to check the disposition in South Carolina to invest in corporate banking, of which the present capital is even now largely in excess of trade or currency wants.

4. It will make money more easily attainable on proper securities, and ordinarily at less rates of interest. The apprehensions among the planters and farmers to the contrary are unfounded, on either reason or experience, as illustrated elsewhere. The price of money will ever be in proportion to the general rate of profit on property and trade at large.—*Charleston Evening News.*

BANKING IN NEW YORK.

REPORT OF THE SUPERINTENDENT OF THE BANKING DEPARTMENT FOR
THE YEAR ENDING DEC. 31, 1858.STATE OF NEW YORK, BANK DEPARTMENT, *Albany, December 31st, 1858.*

The Superintendent of the Banking Department, in accordance with the provisions of section 11 of the "act to organize a Bank Department," has the honor to submit for the consideration of the Legislature the following Report :

The speedy return to specie payments by the banks of this State, after their suspension in October, 1857, time has shown, was a substantial and permanent resumption of their corporate obligations. It exhibits a solidity of capital on the part of the commercial as well as the producing community, which cannot but be gratifying to every observant citizen of our State. It also furnishes evidence of the financial ability with which these institutions are managed, that will add strength to the confidence of the people of the State in our present banking system. The suspension and resumption of specie payments by the banks of this State, in 1857, with the surrounding circumstances, have simply brought out into bold relief the perfection of our free bank system in its connection with our currency.

The retirement of \$7,920,000, of the circulation of the interior banks accumulated in the city of New York, within the time specified by the resolution of the Clearing House of the 7th November, 1857 (with an occasional exception for an insignificant amount since paid), clearly shows that they were not only strong in capital, but that their ability to liquidate that debt was only equalled by their desire to enter upon a course of policy that must produce a speedy resumption of specie payments, clearly foreshadowed by the passage of the resolution referred to.

The passage of that resolution was the incipient step towards a resumption, and the willingness with which the interior banks met the obligations imposed by it, reflects great credit upon the city and country institutions. The entire \$7,920,000 was, by the terms of the resolution, to be paid in monthly instalments of twenty per cent., with interest at six per cent., commencing on the 1st of January, 1858. This would retire the entire amount by 1st of May. They were also to redeem their outstanding currency on the usual terms after the 20th of November. The pressure preceding the suspension, had returned to the banks during the quarter ending October 1, 1857, a million and a quarter of dollars of their best securities, held in this office, of which at least a million was withdrawn by those located in the interior of the State.

How vigorously the interior banks went into the movement of the Clearing House of the 7th of November, is shown by the fact that between the 1st of October and the 1st of April, \$4,325,000 of securities were retired from the Bank Department; and the Superintendent believes that nearly \$4,000,000 of that amount was used by the interior banks to restore

the equilibrium between those of the city of New York and themselves, the loss of which was occasioned by the holding of country money in that city. As an evidence of the correctness of the belief expressed above, he would say, that the discounted debt of the banks located out of that city, was reduced only \$36,326, from December 26, 1857, to March 13, 1858.

This equalizing accounts between the city and country banks was the work of only five months, in addition to meeting their ordinary and daily liabilities; and the entire debt of \$7,920,000 was paid, netting $5\frac{1}{2}$ per cent. per annum interest upon the investment of the city banks in country currency. The whole transaction between the interior banks and those of the city of New York, in relation to the currency, accumulated in that city after the disasters of the fall of 1857, was highly creditable to both, and cannot but add greatly to their confidence in each other's capacity and soundness hereafter.

The present condition and amount of securities held in this Department for the redemption of circulating notes, and the sum total issued upon the same, are shown in table No. 1, attached to this report. It also presents the fact that but five associations have been formed during the past fiscal year, for the purpose of pursuing the business of banking; and one of these is the continuation of an incorporated bank whose charter expired January 1st, 1858.

The actual increase of capital during the year by the formation of new institutions, is \$520,000; the Bank of Poughkeepsie raising its incorporated capital from \$100,000 to \$200,000, when it became a free bank. Still more marked is the fact, that no individual banker has commenced business during the past year. In connection with the unusual dearth of new banks and the small amount of capital employed by them, comes the astonishing fact, that while the actual increase of capital by the formation of new banks has been only \$520,000, there has been added to the banking capital of the State, the sum of \$2,488,891, as shown by their respective quarterly reports of September 26, 1857, and September 25, 1858. This addition to the aggregate capital of the banks has been made during a period in which some fourteen banks have actually ceased doing business, and whose affairs are either being closed up by their officers, or by receivers appointed by the courts.

One of the causes which tended to produce the suspension of 1857, the Superintendent believes, and so stated in his report of that year, was the multiplicity of banks of small capitals. Still he believes the bank capital of the State smaller than is required by the usual business of our citizens. Their relief cannot be looked for in the multiplication of small banks, but in raising the capitals of those already in existence, when located in places where increasing business warrants additional bank facilities. The Superintendent looks upon the direction taken by the increased bank capital of the State this year, as adding more to the stability and prosperity of the business men and to the banks themselves, than when he was starting twenty-five or thirty new institutions a year with two or three times the amount of additional capital. The fact that fourteen banks have ceased to do business is not regarded by him as a general loss to our citizens, inasmuch as the aggregate increase of bank capital beyond all that has been withdrawn during the past fiscal year is \$2,488,891, while the number of

banks actually engaged in business has been reduced from three hundred and eleven, to two hundred and ninety-seven during the same period.

The present condition and amount of the securities held by this department, as exhibited in table No. 1, for the redemption of the currency of the free banks of this State, give renewed and strong indications of the stability of its currency.

The total amount of securities held by this department on the 30th of September, 1857, was.....	\$30,203,632 07
Amount held on the 30th of September, 1858.....	26,393,098 83
Decrease of securities during the fiscal year.....	\$3,810,533 24
The total amount of circulation issued to free banks and outstanding Sept. 30th, 1857, was.....	\$28,429,522 00
The total amount of circulation issued to free banks and outstanding Sept. 30th, 1858, was.....	24,603,194 00
Decrease.....	\$3,826,328 00
A reduction of circulation issued to the incorporated banks took place during the same time, of.....	1,810,414 00
Total amount of reduction during the year 1858.....	\$5,636,742 00

This statement shows a steady contraction, during the past fiscal year, of the currency issued by this department. Still greater is the contrast of the *actual* circulation of all the banks, including the chartered and free banks, following the suspension of October, 1857.

The extreme point of actual bank note circulation in this State by our own institutions, was reached on the 20th of September, 1856, amounting at that date to \$34,019,633. It fell during the year previous to the suspension, to \$27,122,904, this being the actual circulation on the 26th of September, 1857, seventeen days previous to the suspension of specie payments. A steady and constant reduction of the volume of our actual currency followed; and on the 13th of the following March, it became reduced to \$22,710,158. Of this reduction of currency, amounting during the year to \$11,309,475, \$4,412,746 occurred between the 26th of September, 1857, and the 13th of the following March.

The world has been heretofore taught through the theoretical opinions of political economists, that a suspension of specie payments would and must necessarily be followed by an expansion of paper money, alike detrimental and demoralizing to the public. While the Superintendent looks upon a suspension of specie payments by our banks as a great evil, and detrimental to the interests of our people, he most respectfully submits, that the evils arising from a suspension in this State, come not from an increased volume of currency, as it is an utter impossibility under a secured currency like our own; but from a reduction of that volume made of necessity by the banks in their efforts to resume payment again in coin.

The past theory of the effects of a suspension when applied to a system based upon a secured currency, experience has proved to be erroneous. No suspension can take place, or rather be produced, by an over-issue of a currency of that description, and the evil effects of it are only felt by our business-men and the producing classes, by an inevitable contraction of the usual business facilities to the one, and a falling market for the products

of the other; both produced by a contracting currency, instead of increased credits for the one and higher prices for the other by an expanding one.

The bank note circulation of this State, in proportion to the business transactions of our citizens, can only be compared to the decimal coin in daily use for change. To prove this, look at the absolute circulation of our banks as before stated, on the 13th of March last (\$22,710,158), hardly sufficient to give each citizen of our State a passage by railroad from Albany to Buffalo. The whole amount would be expended for food alone by our inhabitants in less than a single month, at the present prices of our agricultural products.

The contraction in March had reached a point beyond which the necessity of its use forbade its further reduction; or if persisted in by our banks, the supply would have reached us from the neighboring States. Since the date referred to, the volume of currency has steadily increased to \$26,605,407, on the 25th of September, and will increase for the year to come.

What does this expansion and contraction of currency prove? The simple fact that under our system of free banking, with a secured currency—as once before remarked by the Superintendent in a former report—“The touchstone of profit and loss to the citizens employed in banking in this State is a surer guarantee of the solvency of our banks than statutory enactments, however stringent may be their provisions or character.”

Securities to be deposited in the Bank Department for circulating notes issued.—An effort was made during the last session of the Legislature, in accordance with the recommendation of the Superintendent, to hereafter exclude bonds and mortgages as a basis of security for circulating notes issued from this office. It signally failed; and the experience of the Superintendent teaches him that it is impossible to impress upon the Legislature, the difference between the necessity of immediate convertibility and ultimate security.

Under these circumstances it is unnecessary for him to present the reasons why he deems bonds and mortgages not the ample security required by the Constitution for the redemption of circulating notes, resting his objections to their reception upon their inconvertibility alone. Still, he deems it due to himself to present to the Legislature the fact, that the present law, governing the securities to be received for circulating notes, works manifest injustice to a large portion of the banks and bankers engaged in the business of banking in this State. The experience of the Superintendent, in converting securities held in trust by him, into immediate means to redeem the notes of failed banks, has taught him this lesson.

The present law, in relation to the description of securities to be deposited with him, requires, in the language of the statute, that they “shall be New York State stocks, in all cases to be, or to be made to be, equal to stock producing six per cent. per annum; or, at least, one half the amount so deposited shall be in the stocks of the State of New York, as before mentioned, and not exceeding one half in stocks of the United States, in all cases to be, or to be made to be, equal to a stock producing an interest of six per cent. per annum; and it shall not be lawful for the Superintendent to take such stocks at a rate above their par value, or above their current market value.” “Or the securities shall not be less than one half in such

stocks, and one half in bonds and mortgages upon improved, productive unincumbered lands in the State, exclusive of any buildings thereon, said mortgages bearing an interest of not less than seven per cent. per annum, and to an amount not exceeding two-fifths the value of said lands." (See chapter 313, Laws of 1849, and chapter 340, Laws of 1848.)

The experience of this Department proves that the bonds and mortgages sold by the Superintendent for the redemption of circulating notes, not only during the disasters of the past year, but from the beginning of our free bank system, have realized but about eighty-eight per cent. of the amount for which circulating notes had been issued upon them; while the aggregate securities, including both stocks and mortgages, in every instance during the panic of 1857, with two exceptions, have brought more than sufficient to redeem the entire circulation issued upon them. These exceptions arose from the fraudulent character of the mortgages in one case, and the peculiar condition of the stocks held in the other; the stock falling due during the year in which the bank failed, thus realizing little or no premium to pay the deficiency arising from the sale of the mortgages.

The practical effect of receiving the present securities upon the system of banking, as now pursued in this State, is simply this: Those banks which wisely, in the opinion of the Superintendent, elect to place stocks alone in the Department as security for circulating notes issued to them, are obliged, from the uncertainty attached to mortgage securities, to place in the hands of the Superintendent stocks to be, or to be made to be, equal to a stock bearing six per cent. interest per annum; while a five per cent. stock is, and has been, with the exception of a few days in October, 1857, worth in open market over par. In other words, the same rule of security is applied to a bank whose notes are secured alone by stocks, as to one whose circulating notes are secured by stocks and real estate, while the result of a sale of this class of securities is, that the superior value of the stocks is made to pay the inevitable loss upon the mortgages. This is right and proper, so far as it relates to the notes secured by stocks and real estate; but manifestly unjust to those banks and bankers who have chosen to secure their notes by stocks alone.

The Superintendent has no hesitation in saying that the circulating notes of a bank secured by a five per cent. stock of this State, or by a five per cent. stock of the State of New York and the United States, equal parts of each, are as abundantly secured as those, secured by similar six per cent. stocks and an equal amount of bonds and mortgages.

Under this manifest injustice and unequal operation of our present laws, in relation to the securities to be deposited by the banks in this Department, the Superintendent does not hesitate to recommend that the Bank Department be allowed to issue to all banks and bankers, whose deposit as security consists of stocks alone, a par circulation upon a five per cent. stock of this State, or of this State and the United States, equal parts of each. Also that every bank or banker may, by retiring all of its or his mortgages, be permitted, under the direction of the Superintendent, to change the die upon its or his notes from "stock and real estate," to "public stocks" only, and be subject to the same rule as if stocks alone had been originally deposited.

In making the above recommendation, it is but just so say, that the Superintendent is governed by his experience of the convertibility of the

securities in his hands, during the difficulties and disasters attending our banks during the fall of 1857; and also, by the fact, that since the formation of this Department in 1851, no five per cent. stock of this State or of the United States has been sold by it, except at a premium.

Table No. 2, presents in detail the securities of each banking association and individual banker, held in trust by this Department, and the amount of circulating notes issued thereon.

It may not be amiss for the Superintendent here to say, that he believes every note issued to every free bank in the State, to be amply secured. The best possible proof of the strength of this class of bank note currency, is the fact that during the three years the department has been under his charge, (during one of which a general suspension of specie payments occurred), the entire loss upon this description of currency has been but \$7,989 64, of which \$5,830 24 was the result of fraudulent representations of the value of premises mortgaged to the Department as security for circulating notes; a contingency which cannot again arise under the present regulations governing this class of securities.

The failure of the Reciprocity, late Sackett's Harbor bank, the Bank of Orleans, and the Yates County bank, incorporated institutions, adds largely to the loss upon our State currency. They are all in the hands of receivers appointed by the courts, and are out of the jurisdiction and control of the Superintendent. It is understood that liberal dividends will be made, finally, to the note-holders. This opinion is based upon letters from their respective receivers.

Table No. 3, presents the increase of bank capital for ten successive years, also the increase and decrease of circulation issued by this Department to the banks, banking associations and individual bankers during that period. It is a noticeable fact, that while the amount of bank capital has risen, in round numbers, from \$45,000,000, in 1849, to \$110,000,000, in 1858, currency has presented a slight comparative increase with occasional fluctuations, until it has fallen back to within nearly \$3,000,000 of the amount in 1849. This tends to add stability to our banking system, and shows the truthfulness of the remark of the Superintendent in his last year's report, "that whatever may lead to a suspension of specie payments, either by a foreign or domestic demand for coin, the currency of our banks properly secured is not an element in its production."

Expenses of the Department.—Table No. 4, presents in detail the expenses of this Department. The State Treasury was in advance at the commencement of the fiscal year, October 1st, 1857, \$16,483 56. There has been drawn from the same during the year ending October 1st, 1858, for the expenses of the free banks, \$23,794 44; and for incorporated banks \$3,374 91. There has been collected of the free banks and paid into the Treasury, during the same period, \$20,647 36; and of the incorporated banks, \$3,371 36, leaving the Treasury in advance on the 1st of October, 1858, the sum of \$19,634 19, which will be collected and paid into the Treasury with the expenses from October 1st, to January 1st, 1859, during the month of January next.

A strange increase of the expenditures chargeable upon the incorporated banks was attempted by the last Legislature. An appropriation was made to William Tracy, Esq., in the following words: (see page 551 of

the laws of 1858,) "The sum of six hundred dollars is hereby appropriated to pay William Tracy, for legal services in relation to the Lewis County bank, to be audited by the Superintendent of the Banking Department, and to be a charge upon the expenses of said Department for incorporated banks." The account was audited by the Superintendent on the back of the bill in the following words: "This account is audited by the Superintendent of the Banking Department at six hundred dollars (\$600), without further knowledge than that furnished by the late Attorney General, the Hon. S. B. Cushing, as to the correctness of the amount claimed, and the fact that the appropriation to pay the same is \$600, in accordance with chapter 328, of the Laws of 1858. Bank Department, Albany, June 30, 1858. "

JAS. M. COOK, Supt.

The audit of the account was made in that form, because the statute made it imperative that the Superintendent should audit the same. The Superintendent was, and still remains in ignorance by what rule of equity the incorporated banks of the State should be made to pay the costs of a suit brought simply to oust one receiver and place another in his position. They, the banks, had no possible interest in its result; there was no direct or contingent liability resting upon them to pay the amount thus appropriated.

It is an assessment upon those institutions of nearly twenty dollars each, adding nearly fifty per cent. to contingent expenses charged by the department to that class of banks. Another appropriation was made by your predecessors to the present Deputy Treasurer in the following words (See page 543 of the Laws of 1858): "To the Deputy Treasurer, for additional compensation for services connected with the Banking Department, five hundred dollars, and the same shall be charged in the general expenses of said department."

While the Superintendent cannot object to the action of the Legislature in making these appropriations, or any other confiscation of property, in the Bank Department, which they choose to make, yet he is entirely at a loss to find his authority to collect, although he might charge these amounts to the respective accounts named in the appropriations.

The act "to organize a Bank Department," passed April 12, 1851, is very specific and restrictive upon the Superintendent as to what shall be charged upon the banks of the State.

The authority in relation to charges to be made by him, and the method of collection, is contained in section seven of the act above referred to, and is as follows:

"§ 7. All the expenses incurred in and about the conducting the business of the said Department, including the salary of said Superintendent and his clerks, shall be defrayed and paid by the incorporated banks, banking associations, and bankers, in whose behalf they are incurred. The expenses incurred, and services performed, specially for any incorporated bank, banking association, or banker, including the delivery of new bank bills for such as may be returned, and the destruction of the latter, shall be charged to such incorporated bank, banking associations or banker, and all other expenses of the said department, shall be charged to the said incorporated banks, banking associations and bankers, in such proportions as the said Superintendent shall deem just and reasonable. If such charges are not paid after due notice, the Superintendent may apply the dividends on any stock, or the interest on any bonds and mortgages in his hands deposited by the bank, banking association, or banker, so neglecting to make the payment of such charges with interest at the rate of seven per

cent., and the moneys so received by the said Superintendent on account of such charges, shall be deposited and paid by him into the treasury of this State, to reimburse all sums advanced from the treasury for such expenses; and in case of there being no stocks, bonds or mortgages in the Bank Department deposited by such bank, association or banker, then the said Superintendent may maintain an action in his name of office against the delinquent bank, association or banker, for the recovery of such charges, and the sums collected therein shall be paid into the treasury, and neither the said Superintendent nor any clerk or person employed in his office shall take or receive directly or indirectly, any compensation or pay for any services or extra services rendered in the Banking Department other than the compensation allowed by law; and any person violating this provision, shall be deemed guilty of a misdemeanor."

The Superintendent derives his power to pay for all services rendered in this office, entirely from the section above quoted, and he is unable to see how he is to collect the amount from the incorporated banks if he should charge the same to them. The amount of the appropriation to the Deputy Treasurer is also directed to be charged to the general expenses of the Department.

The act creating the Treasurer a countersigning officer of transfers made by the Bank Department, expressly settled the amount he should receive for the performance of that duty, and the appropriation to his deputy is simply a gratuity beyond the amount allowed by the act of 1857. It would be just as reasonable, in the opinion of the Superintendent, to direct him by appropriation, to pay his deputy \$500 for extra services and charge it to the banks, as to endeavor to oblige him to make extra charges for the Deputy Treasurer, or to make a gratuity to the officer in charge of the transfer of stocks at the agency of the State, in the city of New York, because a large amount of those transfers are made to this department and held in trust for the various banks located in this State.

While the Superintendent has no right nor inclination to prevent, even by advice to the Legislature, liberal payment for all services, both regular and extra, in the various State offices, he most strenuously objects to any extra allowances being made chargeable upon the banks for any services in that form, particularly when the reception of a shilling for extra services by any regular employé in his department, makes him liable to be convicted of a misdemeanor.

There will be a discrepancy between the Treasurer's account of expenses of the incorporated banks and the statement of this Department of \$600, and one of \$333.32 in that of the free banks' expenses, owing to the fact that the Superintendent most respectfully declines to charge these sums to those accounts, believing himself utterly unable to collect the same if they were so charged.

Table No. 5 presents the names and compensations of the employés in the Department. It is but just to say that their respective duties have been performed to my satisfaction.

Table No. 6 presents the names of all the chartered banks in this State, whose charters are in existence, and the time when the same will expire. Also the amount of circulating notes each is entitled to receive from this Department, and the amount each actually has in its possession or in circulation. Also the amount of circulating notes the three insolvent incorporated banks were entitled to at the time of their insolvency, and the amount actually in circulation and in the hands of their receivers.

This is perhaps the proper place for the Superintendent to express his views upon the provisions of the present law in relation to the examination of the condition of banks by a special agent, or by the Superintendent himself. By the provisions of chapter 218 of the Laws of 1843, the office of Bank Commissioner was abolished, and certain powers of examination of the affairs of a bank, whose solvency is suspected, are devolved upon the Superintendent, and also this power of examination is given him by chap. 419 of the Laws of 1847, and by chap. 242 of the Laws of 1854.

This power is substantially nullified by the action of our courts and the officers of the banks whose condition the Superintendent endeavors in person or by agent to examine. It has been only once attempted by the present Superintendent. The result of the attempt was : by the time his agent had obtained a slight insight into the real condition of the affairs of the bank, he was politely met by its receiver, appointed by the court at the solicitation of the officers themselves, and told that his duties were ended, and that the property and effects of the bank were beyond his control and power, even for examination.

The effect of this power of examination is simply, if the bank is really solvent, to procure the endorsement of the Superintendent, and if insolvent, its affairs are placed in the hands of a receiver before such examination can be completed or made of any use to the public.

There are two valid and subsisting objections to the statute in relation to an examination of any bank by the Superintendent. The first is, it confers a power utterly useless in its operative effect as to the public safety, and leaves upon the minds of the people an impression that the Superintendent can exercise some power and control over our banks, beyond that connected with the currency they issue. It is true he can enter upon the examination of the affairs of a bank which he suspects of making an incorrect or imperfect quarterly report, or is in an unsound or unsafe condition ; but all experience teaches us that an insolvent bank never exposed that insolvency, or any danger of such a result, in its quarterly report. Figures and affidavits are never made by bank officers to expose insolvency or defalcations. They, the figures, are most useful adjuncts to conceal the real condition of affairs, and the law is keeping the promise of protection before the public eye alone, and throwing an ostensible responsibility upon the Superintendent, which it is utterly impossible for him to fulfil. The law, with its present provisions, is simply an inoperative statute, promising beneficial results from the vigilance of the Superintendent, and utterly useless in producing such effects as are apparently promised by it, however watchful and energetic he may be.

In the second place, it is in direct contravention to the spirit and meaning, as understood by the present Superintendent, of our general bank law, which looks, and properly so, to the question of securing the currency alone, and that at the sacrifice of all other parties in interest. The Constitution and the law assume this to be the first duty of the banker, placing personal responsibility upon him, that responsibility to be entirely exhausted, if necessary, to redeem the currency issued by him, and compel the deposit of a security in the hands of the Superintendent for its redemption, in addition to the responsibility of the banker.

The very existence of this power of examination, as shown by the original act of 1843, is a remnant of our system of banking under the old

method. The words of the section of the act of 1843, are: "The office of Bank Commissioner is hereby abolished; provided, however, that it shall be competent for the Superintendent, whenever he shall have good and sufficient reason to suspect the condition of any bank, &c., to appoint a special agent to examine the affairs of such bank, &c."

The whole statutory provision in relation to the examination of our banks, so far as the free banks are concerned, is a delusion, and is purely a cheat of the people of the State, by making them believe that it tends to secure them from loss by those institutions. It is unnecessary for the present Superintendent to endeavor to show by argument his views in relation to our free banking system, for they are well known from former reports upon this subject. He would strike from our statutes every thing calculated to embarrass that business, except the making of the quarterly and weekly reports, and forcing every bank and banker to secure, beyond any contingency, the circulating notes received from the Bank Department, and leave the use of capital in the business of banking, (in the language of a former report,) "as free as its use in any other branch of human industry or effort." This opinion, however radical it may seem, is strongly confirmed in the mind of the Superintendent from the results of the suspension of our banks in October, 1857, followed by a resumption in sixty days from their suspension. The Superintendent, in his report of the 1st of January following, took occasion to recommend the passage of an act compelling the banks of the city of New York to keep twenty per cent. of their deposits in coin in their vaults. And that the interior banks should also keep in specie and balances due in the city of New York, Albany, Troy, or Brooklyn, the same proportion of available means. The banks, before the convening of the Legislature, had placed themselves voluntarily in a position stronger than that recommended by the Superintendent, evidently teaching the lesson that when banking capital in this State, under our general law, finds itself in danger of loss, (and the loss under that law falling alone upon depositors and stockholders,) it, through its managers, entrenches itself in a position, and that speedily, which looks to ultimate solvency instead of large profits.

The great and controlling law of self-interest, once learned through the rough road of experience, is a far more effectual rule of human action than any statutory provision, however strictly enforced.

Table No. 7 presents the outstanding circulation of the incorporated banks whose charters have expired, which, on the

30th of September, 1857, was	\$3,427,421
do do 1858, was	2,455,251

Returned and destroyed during the past year, \$972,170

Table No. 8 presents the names of the several banks which have ceased the business of banking, and whose notes are redeemed on behalf of the Superintendent at the bank whose name is set opposite to each; and also the time when such redemption by him will expire.

Table No. 9 presents the names of the insolvent banks, the rate of redemption and the places where redeemed.

A portion of those named in table No. 9, are in the hands of receiver-

ers, and their notes were allowed to go to protest, and their securities sold by the Superintendent, and sufficient money retained in his hands to cover their circulation.

The balance was paid over to their respective receivers. This was done at the suggestion of the Superintendent, as the only method by which the receiver of a free bank could close his trust, under our present laws. The Superintendent most respectfully calls the attention of the Legislature to the following suggestions:

Final closing of Free Banks.—By the provisions of chapter 370, of the laws of 1857, the trustee or legal representative of an incorporated bank, after redeeming ninety per cent. of its circulation, may deposit with the Superintendent a sum of money equal to the outstanding circulation of the bank; and after giving notice that the notes will be redeemed by him during six years immediately following such notice, the Superintendent, at the expiration of the time mentioned, refunds whatever money remains in his hands, to the trustee or legal representative; and the notes then outstanding cease to be a charge upon the property of the bank, or a claim upon the trustee.

There are no valid reasons why the same provision should not be applied to the receivers and assignees of free banks and bankers.

The provisions of the statute in relation to voluntary closing of banking associations and individual bankers, are not entirely satisfactory to the Superintendent, so far as they relate to the execution of bonds for the redemption of their outstanding circulation, after the expiration of two years, during which the notes are redeemed by him.

The difficulty is twofold. First, the owners of the bank or the banker, is not legally bound to destroy the notes they or he redeems during the six years in which he is bound to redeem them by the terms of the bond executed to the Superintendent. The credit of a free bank note is such that it can easily be again put in circulation. And in fact, at the end of six years, when the obligation to redeem the notes ceases entirely, the whole amount may be outstanding and in the hands of the community. This is wrong in principle, and while the Superintendent does not charge that this has been done even in a single instance, still there is no reason existing why it cannot take place, no legal enactment preventing it.

The second point in relation to the bonding of bank note circulation is, that although the bond is executed to the Superintendent, no express authority exists for its prosecution, on failure to comply with its provisions. No occasion has yet arisen to test his power in relation to this point, as a notice from him that he would prosecute the bond in several instances when the parties have refused to redeem the notes presented, has resulted in their prompt redemption, on a second presentation.

The experience of the Superintendent during the past year in endeavoring to enforce the performance of obligations of the banks to pay their last instalment to the safety fund upon the expiration of their charters, renders him anxious to have as few occasions as possible by which he is compelled, officially, to apply to the courts, either to collect moneys due the Department, or to enforce penalties for the non-performance of duty by the banks, banking associations, and individual bankers of this State. He would therefore respectfully recommend, that a closing bank be required to deposit (after the redemption of ninety per cent. of its circulation, as now

required by law) the money for the redemption of its outstanding notes, with the Superintendent, to be by him deposited in some solvent bank in the city of Albany. And at the expiration of six years from the making of such deposit, the balance of money remaining, after redeeming all notes presented for redemption, to be refunded to the owners thereof; and that the notes then outstanding cease to be a charge upon the association or individual banker making such deposit; thus abolishing the system of bonding bank note circulation entirely. Another and necessary amendment to our present laws in relation to closing and insolvent banks, in the opinion of the Superintendent, is to direct him to pay into the treasury of the State all unclaimed balances remaining in his hands after the expiration of six years from such deposit.

Table No. 10 presents the names of the banks and bankers that have closed their business and bonded their circulating notes, with the names of their owners and residence, the sureties to their bonds, the time when the penalty of the bond to redeem their notes expires. The number of banks thus bonded, the Superintendent hopes, will add force to his recommendations to require a deposit of money hereafter for six years instead of a bond, however sound and solvent the principal and sureties of such bond may be at the time of its execution.

Table No. 11 presents the number of notes and their respective denominations, counted and destroyed for the free and incorporated banks, during the past year, in the Department, and their aggregate amount in dollars. The amount is some millions in advance of the usual business of the office.

Table No. 12 presents the number of bank note plates destroyed during the past year, under section 5, chapter 189 of the laws of 1857, with names of the banks and the denominations of the notes upon each.

Bank Fund.—Table No. 13 presents the account of the receipts and disbursements of this fund, and also an estimate of its yearly condition until the final payment of the stock, the last of which falls due the first of February, 1866.

It will be noticed that the statement shows that the debt may be liquidated on the 1st of February, 1863, leaving an excess of \$5,440.13; but assuming that the stock will not be paid until due, first of February, 1866, the estimates are continued until that date, and until the expiration of the charters of all the incorporated banks; showing a final balance at that date, over the amount necessary to pay the outstanding stock, of \$70,066.75.

At the close of the fiscal year, 1859, there will be an absolute deficiency of \$6,328.49. An effort will be made by the Superintendent to convert a portion of the mortgage securities into money to meet this deficiency, or to extend the time of payment upon a portion of the stock for one year, at which time there will be abundant means to meet the amount thus extended.

In presenting the final result of this fund, showing an excess of \$70,066.75, it is but just to state that this is but an estimate based upon the supposition that every dollar considered as good in it, will be paid. The estimate of 1855 showed a surplus of \$81,119.11. The reduction now shown from that sum, arises from the failure of three safety fund banks, whose payments, had they continued until the expiration of their charters, would have been sufficient to raise the surplus to the original estimate.

There is no reason to doubt that the entire stock issued on account of this fund will be paid in full, and leave a handsome surplus.

A suit at law, against a bank which had refused to pay the last instalment of the safety fund, has been pending several years, between the trustee of an expired bank and the people of the State of New York. The Bank Fund was the real plaintiff in the interest, although the suit was brought in the name of the people of the State. It was stipulated that the amount due from several other banks, payment of which had been refused, should abide the result of this suit; their condition in relation to their payments being the same. The suit was commenced previous to the act of 1851. This act changed the time of payment of the contributions of the several banks to this fund, by inserting the words "on or before the 31st of December," in place of "on or before the 1st of January."

The suit was tried in the courts below, and a verdict rendered in favor of the people of the State, but was finally carried to the Court of Appeals by the defendant, for ultimate decision. The decision of that tribunal was adverse to the claim. It is almost needless for the Superintendent to express his astonishment and disappointment at such a result. Still, he learned this important fact, that there was an infinitesimal point of time between the 31st of December and the 1st of January, precisely at which a corporation ceased to exist; and that, exactly at the right moment to prevent it from paying a sum of money due the safety fund, for the privileges and exemptions it had enjoyed during the preceding year. In other words, the charter of the bank of Utica, whose trustee, Mr. Walker, was defendant in this suit, was continued in force by chapter 216 of the Laws of 1829, *until the 1st of January, 1850*. The bank, by the acceptance of this continuation of its charter, placed itself under the provisions of the safety fund act, by the conditions of which it was bound to pay the contribution of one-half of one per cent. per annum. It did pay all the requisitions made upon it under that act, except the last payment, which was due on or *before the 1st of January, 1850*, the precise time its charter expired, which was continued by special act "*until January 1st, 1850*."

The decision, as shown by the opinion of the court (Justice Johnson's), is based entirely upon the ground that the corporation ceased to exist, or in the words of the opinion, "hold that only corporations existing on the day when the payment was to be made are liable to make it."

With the most profound respect for the learning and ability of the court, the Superintendent must say that the decision establishes a distinction without a difference; and enables a corporation to die so early of a morning that it escapes the payment of an equitable obligation, payable upon the day to which its corporate existence was extended expressly by statute.

Although the decision only reversed the original verdict and ordered a new trial, it was deemed best by the counsel and Superintendent to stop the suit and settle the costs, the decision covering the points upon which a recovery could only be made; and a new trial would have only involved increased expenditure without the prospect of ultimate success.

It is but just to say that the suit was commenced long before the present Superintendent came into office, and has been continued by him with an unfaltering faith in the justice and equity of the same, entertained by the counsel as well as himself.

The amount abstracted from the fund by this decision is \$6 648, with

several years' interest; and a further loss of \$875 54, in costs in the effort to enforce its collection. This amount forms no part of the estimated assets of the fund.

The act of 1851, changing the date of payment of contributions to "on or before the 31st of December, in each year," saves the surplus from total annihilation under this decision of the Court of Appeals.

Of the costs above referred to, \$516 54 was paid from the State appropriation for the "costs of suits." Payment could only be made from that fund, the suit having been brought in the name of the People. The Treasury should be reimbursed from the Bank Fund money; and the Superintendent recommends that an appropriation be made from that fund for that purpose.

Table No. 14 presents the aggregate of debts and liabilities, and means and resources of all the banks, banking associations and individual bankers of this State, from each quarterly report made to this Department during the fiscal year.

Table No. 15 presents the debts and liabilities and the means and resources of the banks, banking associations, and individual bankers, as shown by their June report, for each year, from 1849 to 1858, both inclusive.

Tables 16, 17, 18 and 19, present in detail the condition of every incorporated bank, banking association, and individual banker doing business in this State on the 26th December, 1857, 13th March, 1858, 19th June, 1858, and 25th September, 1858.

Municipal taxation of city lots mortgaged to the Bank Department.—A difficulty in relation to the security held by this Department for circulating notes issued upon bonds and mortgages covering property located in some of the cities in this State, is forced upon the attention of the Superintendent by the increasing number of notices of the sale of property so held under municipal laws. The following is a copy of one of a number of notices served upon the Superintendent as assignee of the mortgagee:

No. 591.

BUFFALO, Sept. 11, 1858.

To the Banking Department:

SIR:—You will please to take notice that on the 4th day of December, 1856, pursuant to an order of the common council of the city of Buffalo, the following parcel of land was sold by said city, for the non-payment of an assessment levied for defraying the expenses of taking land bounded by Chippewa, Washington and Ellicott streets, for the purpose of a public market, said lot, at said sale, being bid off by the city of Buffalo, under the charter, for the sum of \$12.97, and for the term of 100 years. And you as mortgagee are required to redeem the same within six months after the service of this notice. The premises are described as follows: A lot in the city of Buffalo, Erie county, New York, on the north side of Genesee street, being 50 feet front by 125 feet deep, commencing 1,022 feet east of Spring street, assessed to Aaron Wilcox.

Your obedient servant,

WM. A. CHARD, Agent.

It will be readily seen that the description of the lot is the only guide by which any clue to the mortgage can be obtained, and as no such indefinite description would be accepted in a mortgage offered this Department, it is impossible to ascertain what mortgage held in this office covers the premises in question. Neither does the name of the party to whom the same may be assessed afford any evidence of the execution of the mortgage by him. Again, the notice furnished gives no evidence what bank assigned

the mortgage to the Superintendent. There are over three thousand mortgages now in this office, and even were the Description in the notice the same as required by the department, it might take months to find the identical mortgage covering the property. It will be observed that the notice requires the payment of a certain sum of money in a given time, or the possession of the mortgaged premises passes unto the purchaser for 100 years. An attempt was made by my predecessor to prevent the increase of this class of mortgages, by refusing to take any property located in a city, unless the walk was flagged and gutter paved, as this class of improvements was supposed to be the occasion of municipal taxations, upon which a sale of the property could be made for a term of years. The notice is for a failure to pay a tax for the erection of a market. This tax levy may be upon any unoccupied lot in the city without reference to its locality.

The Superintendent would respectfully recommend that the statute relating to notices of sale of property for municipal taxes, to a public officer holding bonds and mortgages in trust, shall specify the name of the original mortgagor and the assignor or assignors of the same to such public officer; and without such specific notice, the sale shall be inoperative as against the mortgage so held.

It is perhaps proper here to say, that the present Superintendent has heretofore declined, and is not willing to receive as security for circulating notes, mortgages upon unoccupied city or town lots, believing that this class of property does not come within the meaning of the statute, requiring them to be upon improved and productive, as well as unincumbered lands. The amendment is intended to protect the mortgages already in the Department.

Engravers for the Bank Department.—During the past spring a change took place in the arrangements for engraving bank note plates and printing bank notes for this Department. There were employed by the Superintendent seven different firms and individuals, known as engravers of the Bank Department; each bank or banker under certain rules being allowed to elect which of those parties should engrave the plate it or he desired; and print notes under the direction of the agent of the Superintendent, residing in New York, in whose charge the plates were kept. The plates when not in actual use are sealed up and kept in a vault in the Bank of the Manhattan Company, in New York, or in the vault of the Bank Department. It is due to the Manhattan Company to say that the use of their vault has been given the Department without charge.

All of the engraving houses, during the past season, have formed themselves into one company under the title of the "American Bank Note Company," by whom all engraving and printing for the Department is now done. The safety of our bank note circulation and that of the banks; the quality of the engraving and the convenience of this office, have been greatly promoted, in the opinion of the Superintendent, by the formation of this company.

Another subject immediately connected with the engraving and printing of bank notes, would seem to demand the attention of the Superintendent. The counterfeiting and altering of bank notes have reached a point that some efficient steps should be taken if possible for their prevention. The whole matter is one surrounded with difficulties and embarrassments.

Efforts of various descriptions have been made to stop this evil, but it is growing rapidly, and becoming a question seriously affecting the utility of bank note circulation.

The Superintendent looks upon the alteration of the denominations of bank notes with the greatest alarm. The perpetrators of this description of crime have become so skilful, that an acquaintance with the vignette of each denomination of notes is almost necessary to detect the alteration. Inserting the denominations of the notes in colored letters has been resorted to, but it furnishes little or no protection, as those most in use are easily erased and that without injuring the black ink used in printing them.

Printing the denominations in colors, therefore, is a delusion if it is relied upon to establish the original amount for which the note was issued. This difficulty is overcome in a great measure, in the opinion of the Superintendent, by adopting the green color of the American Bank Note Company. It is believed to be indestructible, and that it cannot be extracted without destroying the black ink as well as materially injuring the paper. While the Superintendent does not believe in the necessity of having a green tint plate, he thinks that letters upon the face of the note showing the denomination, the best protection now known against altering notes. It would be an improvement to make the bottom of the letters occupy a small portion of the space devoted to the signatures of the president and cashier, thus making a portion of their respective signatures over a part of the green and black colors. The adoption of a lettered denomination in green is also a protection against photographing equal to any other color as well as against altering notes.

It is proper to say that no specimen of a photograph note has ever come under the eye of the Superintendent which would deceive any person conversant with bank notes. In connection with this subject the Superintendent would call the attention of the Legislature to the fact, that when plates for counterfeiting bank notes are seized by public officials, no legal requirement exists compelling their destruction. They are usually thrown aside and perhaps soon forgotten in the change of officers periodically taking place with us. The possession of two or three plates under the system of transferring now employed in engraving bank note plates, enables the counterfeiter to combine new counterfeits at pleasure.

Without seeking new duties, but now having in his possession and custody all the bank note plates of the banks of this State, with the specific duty placed upon him of destroying all plates of closing and insolvent banks, it appears to the Superintendent that all counterfeit plates and the impressions taken therefrom, should be returned to this office for destruction by executive officers, in whose possession the same may be, after being used as evidence when necessary; and it should be the duty of the Superintendent to destroy them and report the number, denominations, and name of the bank to the Legislature.

It is but just to say that this recommendation, although apparently an interference with the duties of the officers employed in the detection and punishment of crime, is made by the Superintendent after a consultation with, and the approval of, the Police Commissioners of the city of New York, where counterfeiting and altering bank notes are most rife. The effect of the successful counterfeiting or altering of bank notes operates with force against their circulation, and tends to curtail it except in the in-

mediate vicinity of the bank, where the community are familiar with its notes. The banks of this State have a deep interest in stopping this growing evil; and the formation of a voluntary association on their part, like the New England Company, for its suppression, would well repay them for an effort in that direction.

The amount of securities transferred to the banks, banking associations, and individual bankers during the past fiscal year, all of which have been countersigned and entered in the books of the Treasurer's office, is as follows:

Stocks.....	\$7,031,359 65
Bonds and mortgages.....	1,572,398 62
Total transfers.....	\$8,603,758 27

In concluding this report, the Superintendent respectfully submits and recommends the following amendments to the general bank laws, all of which have been referred to in the preceding pages:

First, to permit all banking associations and individual bankers, whose deposit of securities consists of stocks alone, to receive a par circulation upon all stocks bearing an interest of five per cent. per annum, that are now receivable in this Department.

Second, to amend chapter 370, of the Laws of 1857, by applying the provisions of that act relating to trustees of incorporated banks, to the receivers of banking associations, and to the receivers or assignees of individual bankers.

Third, to abolish the present system of bonding bank note circulation, and substituting a cash deposit for the same.

Fourth, to authorize the Superintendent to pay into the Treasury, for the use of the Department in paying its general expenses, all balances remaining in his hands that have been unclaimed for six years.

Fifth, that any legal notice that shall be served upon the Superintendent in relation to any mortgage of which he is assignee, shall contain the name of the mortgagor and the description of the premises, as shown by the mortgage covering them, and the name of the party by whom it was assigned to him.

Sixth, to make it obligatory upon every public officer into whose hands shall come any counterfeit bank note plate or other device for counterfeiting, or any counterfeit bank notes, to surrender the same to the Superintendent of the Banking Department after using them for the conviction of the party in whose possession they were found, and making it the duty of the Superintendent to destroy the same, and present a list with their denominations and names of the banks, to the Legislature, in his annual report.

These are all the changes in our banking system of a beneficial character, that appear to him either necessary or desirable at the present time. The present session of the Legislature will be an exception to all others since the creation of our present general bank law, if impracticable and theoretical projects and amendments to that law, are not presented for its consideration and action. Any sudden or violent change in the principles of that law, or unusual restrictions beyond those now in force, will simply

embarrass its action, and that too, without adding any security to our currency.

Our system of free banking, opening that pursuit to every citizen of the State whose inclination or interest leads him to enter upon it, affords a most substantial reason why great caution should be used in changing our present laws in relation to it. The interest of every class in the community is closely connected with the successful prosecution of that business. It furnishes the best paper currency in the world. No complaint can be made that special privileges are granted by it to individuals or classes of our citizens. The pursuit of wealth or distinction in its prosecution is open to each and every citizen alike. It has arisen from the disasters of the past year with a vigor inherent in itself, and is of unsurpassed usefulness again, and this while imposing but little loss upon the public in the use of the currency issued, less in fact than the abrasion of gold would have been, had its place and use been occupied by that metal. As before stated, plans of reform of our present bank laws will probably be presented for your consideration, the result of theoretical minds, instead of practical knowledge of the workings of the present system.

The amendment of any general law operates upon every institution formed under it, alike, without reference to locality, capital, or condition. It is changing the iron rule of the present law, and compelling all alike to expand or contract to its new dimensions without reference to capacity, inclination, or adaptation to its demands. An amendment to our bank laws perhaps calculated to operate beneficially for the people and the banks in one locality, might be fatal to the prosperity of both parties in another. It applies to the entire business interests of our citizens without distinction, and operates alike upon every city, village, or town in the State, in which a bank is established. The amendment of any general law under whose provisions capital has concentrated itself in various localities is hazardous; particularly so, when the interests of our citizens have become so interwoven with it, as in those institutions that have come into existence under the general bank law. There is no subject that will come before the Legislature requiring more careful deliberation, than amending our bank laws.

All of which is respectfully submitted.

JAS. M. COOK, *Superintendent.*

[Copies of this Report with all the tabular details annexed, will be furnished, gratis, to applicants, by the publisher of the Bankers' Magazine. Postage ten cents per copy.]

Silver.—The Superintendent of the Assay Office, by request of the Director of the Philadelphia Mint, a few weeks since, announced that silver bullion to be coined, would not be received here as usual, but could only be deposited at Philadelphia. Upon representations made by the Superintendent and by the Assistant Treasurer at this port, to Mr. Cobb, the latter has restored the privilege withdrawn in that notice, and deposits can now be made as heretofore. Upon a revision of the whole subject, the Secretary has concluded also to reduce the price to be paid for silver bullion from \$1.22½, the standard ounce, to \$1.21, at which deposits will now be received payable in new silver coins. This will have the effect to lessen the difference in market value between the gold and silver currency, and the latter will now be purchasable for gold, probably at only ¼ discount.

DEBTS AND LIABILITIES OF THE BANKS OF THE STATE OF NEW YORK.

The following Table exhibits the aggregate Items of the Debts and Liabilities and the Means and Resources of all the Banks, Banking Associations, and Individual Bankers, doing Business in the State of New York, as shown by their Quarterly Reports of the Month of June, in each Year for Ten Years.

ITEMS.	DEBTS AND LIABILITIES.									
	30th day of June, 1849.	29th day of June, 1850.	21st day of June, 1851.	26th day of June, 1852.	11th day of June, 1853.	3rd day of June, 1854.	2nd day of June, 1855.	14th day of June, 1856.	6th day of June, 1857.	19th day of June, 1858.
Capital.....	44,929,505	47,779,727	55,580,181	59,705,623	73,183,251	81,589,239	85,032,621	92,334,172	103,954,777	109,340,541
Circulation.....	21,912,616	24,214,341	27,511,727	27,940,947	30,043,538	31,266,903	28,562,195	30,705,084	32,395,802	24,079,193
Profits.....	7,079,660	8,113,064	9,292,473	10,489,087	10,262,723	11,321,058	10,863,572	12,945,901	13,949,000	13,563,650
Due banks.....	20,904,078	22,961,749	23,839,135	25,229,167	31,880,129	22,266,903	21,009,234	29,730,686	27,319,817	34,290,766
Due to individuals and corporations, other than banks and depositors.....	640,296	821,365	1,183,916	1,454,572	1,674,183	1,376,700	1,010,614	1,031,641	1,010,575	874,838
Due Treasurer State of N. Y.,	3,835,963	1,473,901	1,225,127	1,592,693	1,610,197	1,283,393	2,817,160	3,254,421	3,254,877	2,716,094
Due depositors.....	35,604,999	46,691,465	51,467,682	65,034,604	79,996,528	82,637,013	83,517,767	96,267,287	104,350,426	92,046,875
Due to others not included under either of the above heads.....	1,611,389	1,353,318	1,638,727	1,461,758	3,836,415	3,191,599	2,772,533	2,181,393	1,754,886	1,567,974
Total.....	\$16,626,506	153,402,970	174,639,028	192,908,451	232,517,965	224,932,813	238,603,898	268,453,585	287,990,280	284,479,871
MEANS AND RESOURCES.										
Loans and discounts.....	85,335,528	98,480,781	115,677,229	127,245,569	151,206,952	153,875,926	165,106,907	174,141,775	190,808,832	178,833,145
Overdrafts.....	164,343	208,504	279,994	274,577	412,249	425,752	388,945	498,978	507,137	331,602
Due from banks.....	12,022,436	11,255,625	10,005,060	11,200,861	13,636,754	10,907,893	12,730,800	12,353,098	11,643,830	13,569,231
Real estate.....	3,514,487	3,344,514	3,765,392	4,123,970	5,005,769	5,556,371	5,726,027	6,724,163	7,423,015	7,899,938
Specie.....	10,571,517	11,653,339	8,978,918	13,304,356	13,384,410	10,792,429	15,921,467	18,510,835	14,370,434	33,597,211
Cash items.....	6,497,829	9,181,481	13,516,524	12,871,410	17,863,543	20,551,709	15,932,400	20,158,335	23,737,436	15,019,241
Stocks and promissory notes,	12,822,062	12,774,670	15,906,601	15,509,500	19,972,149	20,792,669	20,156,516	21,511,223	23,747,472	23,007,661
Bonds and mortgages.....	2,663,825	3,063,168	3,969,343	4,548,490	5,832,079	7,315,753	7,838,065	8,381,301	9,299,794	8,615,305
Bills of banks.....	2,691,426	3,077,023	2,833,611	3,246,226	4,372,936	3,592,730	3,348,982	3,087,102	3,094,293	1,919,905
Loss and expense account.....	511,615	618,012	579,403	677,084	913,240	1,122,502	1,123,567	1,191,994	1,362,923	1,576,602
Total.....	\$136,735,068	153,553,114	174,812,145	193,062,103	232,606,101	224,939,994	242,213,796	268,461,004	287,994,266	284,479,921

INCORPORATED BANKS OF NEW YORK.

The following Table exhibits the names of Incorporated Banks, with a statement of their capital, amount authorized to circulate, amount of circulation, and times when charters expire.

Names of Banks.	Location.	Capital.	Authorized to Circulate.	In Circulation.	Charter will Expire.
Albany City Bank,.....	Albany,.....	\$500,000	\$330,000	\$307,361	January 1, 1864.
Atlantic Bank,.....	Brooklyn,.....	500,000	350,000	350,000	" 1, 1866.
Bank of Orange County,.....	Goshen,.....	105,660	150,000	178,000	" 1, 1862.
Bank of Owego,.....	Owego,.....	200,000	200,000	165,000	" 1, 1866.
Bank of Rome,.....	Rome,.....	100,000	150,000	150,000	" 1, 1862.
Bank of Salina,.....	Salina,.....	150,000	175,000	113,650	" 1, 1862.
Bank of the State of New York,.....	New York,.....	2,000,000	1,200,000	1,005,302	" 1, 1866.
Bank of Whitehall,.....	Whitehall,.....	100,000	150,000	137,506	June 14, 1859.
Brooklyn Bank,.....	Brooklyn,.....	150,000	175,000	175,000	January 1, 1860.
Cayuga County Bank,.....	Auburn,.....	250,000	225,000	225,000	" 1, 1861.
Chautauque Co. Bank,.....	Jamestown,.....	100,000	150,000	150,000	" 1, 1860.
Chemung Canal Bank,.....	Elmira,.....	200,000	200,000	200,000	" 1, 1861.
Essex County Bank,.....	Keeseville,.....	100,000	150,000	150,000	" 1, 1862.
Farmers & Manufacturers' Bank,.....	Poughkeepsie,.....	300,000	250,000	250,000	" 1, 1864.
Herkimer County Bank,.....	Little Falls,.....	200,000	200,000	199,993	" 1, 1863.
Highland Bank,.....	Newburgh,.....	200,000	200,000	200,000	" 1, 1864.
Kingston Bank,.....	Kingston,.....	200,000	200,000	150,000	" 1, 1866.
Leather Manufacturers' Bk. New York,.....	".....	600,000	450,000	418,929	June 1, 1862.
Manhattan Company,.....	".....	2,050,000	1,200,000	874,242	Unlimited.
N. Y. Dry Dock Co.,.....	".....	200,000	200,000	199,000	"
Ogdensburgh Bank,.....	Ogdensburgh,.....	100,000	150,000	136,000	January 1, 1859.
Oneida Bank,.....	Utica,.....	400,000	300,000	300,000	" 1, 1866.
Rochester City Bank,.....	Rochester,.....	400,000	300,000	300,000	" 1, 1862.
Schenectady Bank,.....	Schenectady,.....	150,000	175,000	149,000	" 1, 1863.
Seneca County Bank,.....	Waterloo,.....	200,000	200,000	187,447	" 1, 1863.
Seventh Ward Bank,.....	New York,.....	500,000	350,000	349,000	" 1, 1862.
Steuben County Bank,.....	Bath,.....	150,000	175,000	175,000	" 1, 1860.
Tanners' Bank,.....	Catskill,.....	100,000	150,000	150,000	" 1, 1866.
Tompkins County Bank,.....	Ithaca,.....	250,000	225,000	224,671	" 1, 1863.
Troy City Bank,.....	Troy,.....	300,000	250,000	250,000	" 1, 1861.
Ulster County Bank,.....	Kingston,.....	100,000	150,000	150,000	June 1, 1861.
Westchester Co. Bank,.....	Peekskill,.....	200,000	200,000	163,902	January 1, 1863.
		\$11,055,660	8,980,000	8,314,803	

Insolvent Incorporated Banks in the hands of Receivers.

Bank of Orleans,.....	Albion,.....	200,000	200,000	200,000	January 1, 1864.
Reciprocity Bank,.....	Buffalo,.....	200,000	200,000	64,974	" 1, 1865.
Yates County Bank,.....	Penn Yan,.....	100,000	150,000	148,958	" 1, 1859.
		\$500,000	\$350,000	\$413,932	

Increase and decrease of Capital and Circulation of the Banks of the State of New York for ten years respectively.

<i>Date of Report.</i>	<i>Capital.</i>	<i>Increase.</i>	<i>Date.</i>	<i>Circulation.</i>
1849. June,.....	\$44,929,505	\$1,174,416	1849. December 1,.....	\$32,587,536
1850. "	47,779,727	2,850,222	1850. " 1,.....	34,872,253
1851. "	55,540,181	7,800,454	1851. September 1,.....	35,533,606
1852. "	59,705,683	4,125,502	1852. December 1,.....	38,790,985
1853. "	73,183,251	13,477,568	1853. " 1,.....	43,958,446
1854. Sept,.....	83,773,282	7,021,213	1854. September 30,.....	43,962,535
1855. "	85,589,390	1,816,303	1855. " 30,.....	41,159,794
1856. "	97,806,391	12,216,711	1856. " 30,.....	43,492,485
1857. "	107,507,659	9,701,358	1857. " 30,.....	41,243,922
1858. "	109,996,530	2,488,891	1858. " 30,.....	35,607,180

INSOLVENT BANKS OF THE STATE OF NEW YORK.

Closing and Insolvent Banking Associations and Individual Bankers, with the Amount of Cash in Deposit, and the outstanding Circulation of each, September 30th, 1858.

<i>NAME OF BANK.</i>	<i>Cash in Deposit.</i>	<i>Outstanding Circulation.</i>
1. Agricultural Bank of Herkimer, Herkimer,.....	\$3,846	\$3,607
2. Astor Bank, New York,.....	49	125
3. Canal Bank of Lockport, Lockport,.....	2,942	2,634
4. Central Bank of the City of New York,.....	585	649
5. Chemung County Bank, Horse Heads,.....	2,325	1,015
6. Dairymen's Bank, Newport,.....	3,003	2,716
7. Empire City Bank, New York,.....	958	959
8. Exchange Bank of Buffalo, Buffalo,.....	1,723	1,723
9. Exchange Bank of Genesee, Batavia,.....	4,592	4,477
10. Eighth Avenue Bank, New York,.....	1,273	665
11. Farmers' Bank of Onondaga, Onondaga Valley,.....	3,316	2,309
12. Hamilton Exchange Bank, Greene,.....	2,489	2,583
13. Hollister Bank of Buffalo, Buffalo,.....	4,603	4,603
14. Hornellsville, Bank of, Hornellsville,.....	1,529	1,290
15. Island City Bank, New York,.....	1,873	1,711
16. Knickerbocker Bank, New York,.....	1,504	1,505
17. Luther Wright's Bank, Oswego,.....	8,089	8,089
18. Merchants and Mechanics' Bank of Oswego, North Granville,....	3,271	3,750
19. Monroe Bank of Rochester, Cuba,.....	3,369	3,311
20. N. Y. State Stock Security Bank, New York,.....	27	27
21. New York Traders' Bank, North Granville,.....	1,520	1,520
22. Oliver Lee & Co.'s Bank, Buffalo,.....	4,598	4,598
23. Ontario County Bank, Phelps,.....	3,175	1,118
24. Pine Plains Bank, Pine Plains,.....	4,127	4,015
25. Pratt Bank of Buffalo, Buffalo,.....	3,887	3,449
26. Putnam Valley Bank, Putnam Valley,.....	3,159	2,940
27. State Bank at Sackett's Harbor, Sackett's Harbor,.....	1,469	1,327
28. State Bank at Saugerties, Saugerties,.....	4,055	3,981
29. Suffolk Bank, New York,.....	841	902
30. Union, Bank of the, New York,.....	375	439
31. Walter Joy's Bank, Buffalo,.....	4,162	317
32. White Plains Bank, Naples,.....	3,861	3,574
33. James' Bank, Jamesville,.....	1,844	....
34. Bank of New Rochelle, New Rochelle,.....	1,704	....

NEW BANKS IN THE STATE OF NEW YORK.

During the last fiscal year five banking associations, with an aggregate capital, as shown by their certificates of association on file in this office, of \$620,000, have deposited the requisite securities, and commenced the business of banking, viz.:

<i>Names.</i>	<i>Location.</i>	<i>Capital.</i>
Bank of Newport,.....	Newport,.....	\$100,000
Bank of Poughkeepsie,.....	Poughkeepsie,.....	200,000
Cataract Bank,.....	Lockport,.....	100,000
Dover Plains Bank,.....	Dover,.....	100,000
Stissing Bank,.....	Pine Plains,.....	120,000
Total,.....		\$620,000

The associations above named, have deposited the following securities, viz.:

Bonds and mortgages,.....	\$36,925
New York State stock, 5 per cent.....	91,500
Do 5½ do	26,000
Do 6	60,500
	<u>\$214,925</u>

On which has been issued a circulation of,.....\$180,686

The following table exhibits the total amount of outstanding circulation issued to banking associations and individual bankers; and the amount and character of the securities deposited and held in trust for its redemption on the 30th day of September, 1858:

Outstanding circulation,.....\$24,603,194

SECURITIES.

Bonds and mortgages,.....	\$6,427,077 79
New York State stock, 4½ per cent,.....	\$323,600 00
Do 5 do	7,007,602 01
Do 5½ do	1,046,000 00
Do 6 do	10,417,988 92
	<u>18,795,185 93</u>
United States stock, 5 do	\$260,000 00
Do 6 do	79,100 00
	<u>339,100 00</u>
Arkansas State stock, 6 do	162,000 00
Illinois State stock, 6 do	537,429 40
Michigan State stock, 6 do	41,000 00
Cash,.....	91,305 71
	<u>\$26,893,098 83</u>

Total securities,.....\$26,893,098 83

Aggregate of the securities held in trust for banking associations and individual bankers, September 30th, 1857,.....\$30,203,632 07
 Decrease during the year 1858,.....3,810,533 24
 Balance September 30, 1858,.....\$26,893,098 83

1859.]

State Finances.

631

Amount of circulation outstanding September 30th, 1857,.....	\$28,429,522 00
Do do 1858,.....	24,603,194 00
Decrease for the year ending September 30th, 1858,.....	\$3,826,328 00
The decrease of \$3,810,533 24 has been in the following securities :	
Bonds and mortgages,.....	\$1,429,153 80
New York State stock,.....	2,204,216 63
Arkansas State stock,.....	49,000 00
Illinois State stock,.....	54,600 00
Michigan State stock,.....	131,000 00
	\$3,867,970 43
Less increase in United States stock,.....	\$29,800 00
Less increase in cash,.....	27,637 19
	57,437 19
Net decrease,.....	\$3,810,533 24

STATE FINANCES.

I.—INDIANA.

THE report of the Sinking Fund Commissioners of Indiana shows a balance of \$2,780,604 36 in their hands over all debts, a result that deserves something more than a passing notice. When the State Bank was chartered the Canal Commissioners were authorized to borrow \$1,390,000 on the credit of the State, to pay the State's subscription of Bank stock, and to lend to other subscribers, on interest, the amounts necessary to pay a portion of theirs. For this loan bonds were issued at 5 per cent., due twenty or thirty years after date, at the option of the State. These are known as "Bank bonds." After the payment of the State's subscription of Bank stock, and lending to borrowing subscribers, the unexpended balance of the \$1,390,000 was to go into a fund called the "Sinking Fund," and to it was to be added the interest due from subscribers who had borrowed of the State to pay for the stock, the money paid in discharge of the borrowed sums, the dividends paid by the Bank on the State's stock, and the dividends belonging to such borrowing subscribers as failed to pay back their loans.—This fund was first to be charged with the payment of the "Bank bonds," out of which it had taken its start, and the balance left was to be a permanent fund appropriated to the support of schools. The summary shows that the earnings of the Fund and of the Bank have been over \$3,365,600, and in making this handsome profit it must be remembered that the interest of the "Bank bonds" was regularly paid, so that there is no deduction from it on that account, and that over \$400,000 of the bonds have been redeemed at different times, as they could be obtained at favorable rates, leaving nothing to be deducted but the balance of the original \$1,390,000, after deducting the \$400,000 already redeemed. This shows a balance of near \$2,800,000, as already stated, after adding interest on the money borrowed by the State of the Fund.

II.—TENNESSEE.

In answer to many inquiries in regard to State indebtedness, we give a summary of the securities of the State of Tennessee.

1. The regular 6 per cent. coupon bonds of Tennessee, the same now dealt in at the New York Stock Exchange, run forty years from date, and fall due from 1890 to 1896-'97. They amount to \$6,049,000, and are a loan upon 604 miles finished railway, within the State Boundary, to the railway companies, and constitute a first and only mortgage lien, to the extent of \$10,000 per mile. The primary obligation to pay interest is upon the companies, but the State has made it her first duty to provide the interest with promptness, at the Merchants' Bank in New York, July 1st and January 1st. The Bank of Tennessee is the fiscal agent for this purpose, and collects in turn the interest for the railways.

2. The State has endorsed to certain other railways, finished and in operation, \$2,200,000 6 per cents., due in 1882-'85, being the first and only mortgage lien upon 220 miles within the State.

3. The State, to enable the city of Memphis to aid the Little Rock Railroad Company to build thirty-five miles from the Mississippi river, immediately opposite the city, through the delta or swamp lands of Arkansas, has endorsed \$350,000 six per cent. bonds due in 1855. The bonds constitute a lien upon the road. Four year old or miscellaneous public debt is in \$1,000,000 six per cents., for capital in the Bank of Tennessee, due 1868. In \$889,000 six per cents. for the erection of the new capital and the purchase of the Hermitage estate. In \$125,000 five per cents. for capital in Union Bank of Tennessee, due in 1863. And \$2,051,000 five and five and a quarter per cents. in aid of the old internal improvements of 1838-'44, due twenty years from that date.

RECAPITULATION OF TENNESSEE DEBT.

1. 6 per cent. of State to railroads.....	\$6,040,000
2. Endorsed 6 per cents. of railroads	2,200,000
3. Endorsed 6 per cents. of Memphis.....	350,000
4. Old Debt of State.....	1,125,000
For Bank capital, self-supporting.....	2,940,000
Internal improvements, &c.....	
Total of all obligations.....	\$12,664,000

The railways within the State are generally free of all other liens than the first mortgage to the State: Five years after the aid is rendered they are bound to contribute two per cent. a year of the principal by way of Sinking Fund. Of the remaining of this fund the Comptroller writes, Oct. 1, 1858:

"It may not be improper to state that the year just closed is the first one of operation, under the act of 1856, creating a sinking fund for the ultimate redemption of the bonds loaned to, or endorsed for railroad companies. The act requires two per cent. per annum of the bonds loaned or endorsed by the State to be paid into the Treasury, after five years from their issuance or endorsement, as a sinking fund with which the Governor, Comptroller, and President of the Bank of Tennessee, as

Commissioners, shall purchase the said bonds, and reinvest the accruing interest in like securities. All the railroads from which the two per centum was due have promptly met the calls, and the fund has been invested in 44 State and endorsed bonds for \$1,000 each. This promptness in the beginning, during a season of embarrassment, and when many of the roads were in an unfinished condition, augurs well for a system which will annually yield an increased and increasing fund, that will, if adhered to, ultimately redeem all the bonds, issued or endorsed by the State, before their maturity. Whatever may have been thought as to the policy of undertaking, at once, so grand a system of internal improvements in Tennessee as we have in operation and in progress, there can be no doubt as to the wisdom of this measure. It requires the railroads to pay annually so small a per centum upon their indebtedness, or the States for them, as will not embarrass them, but finally extinguish the whole of it before it becomes due, leaving the State without debt for these works, with her numerous lines of railroads traversing every important section of her territory paid for, and with no tax upon the wealth or industry of our citizens to sustain them."—*Nashville Union*.

III.—VIRGINIA.

The Commissioners of the sinking fund of Virginia give notice that they will, on 10th February next, redeem \$230,350 of the public debt of Virginia, viz :

\$120,000 five per cents., issued 1832—1856 ; \$60,000 six per cents., issued 1854—1858, "under an Act directing an examination of the Winchester and Parkersburg Macadamized Road," and "for the construction of the North Western Turnpike."

\$48,950 six per cents., issued 1839—1858, under "an Act further to provide for the construction of the North Western Road," passed 1834.

\$6,400 six per cents., issued 1839—1858, under "an Act for the construction of a turnpike road from Staunton to Parkersburg."

The Commissioners further give notice that "these holders of certificates who desire to redeem by attorney must, if residing beyond the limits of the United States, acknowledge the power before some Minister Plenipotentiary, Chargé d'Affaires, Consul General, Consul, Vice-Consul, or Commercial Agent, appointed by the Government of the United States to any foreign country, or before the proper officers of any court of such country, or the Mayor or other chief magistrate of any city, town, or corporation therein. If residing in the United States, the acknowledgment before a Justice of the Peace, Notary Public, or Commissioner of Deeds appointed by the Governor of Virginia, is sufficient. In all cases the certificates must be delivered."

It is gratifying to the friends of Virginia to know that any portion of her public debt can be redeemed at this time ; but it seems somewhat singular that while the State is borrowing further sums at six per cent., she should volunteer to redeem any portion of her five per cents. The six per cents. can be now purchased for the sinking fund at 96 $\frac{1}{2}$.

Among the holders of five per cents., are Messrs. N. M. Rothschild & Sons, the Duke of Sutherland, and other parties in England.

IV.—MICHIGAN.

Governor Bingham in his annual message says :—

The receipts into the State Treasury during the fiscal year, ending Nov. 30, 1858, were as follows :

Balance of cash in Treasury, Dec. 1, 1857,.....	\$158,642 70
General Fund,.....	666,656 35
Internal Improvement Fund,.....	5,297 28
Trust Funds,.....	193,766 72
Total,.....	\$1,024,363 05

EXPENDITURES.

General Fund,.....	\$397,613 59
Internal Improvement Fund,.....	225,203 93
Trust Funds,.....	225,148 33
M. C. R. R. deposits refunded,.....	40 00
Balance cash on hand Nov. 30, 1858.....	176,347 20
Total,.....	\$1,024,363 05

The State indebtedness, for which bonds have been issued, is.....	\$2,337,629 67
The average amount of cash in the Treasury for the four years next preceding December 1, 1854, was.....	285,536 06
The amount of interest received for the use of the same was.....	1,553 86
The average amount of cash in the Treasury for the four years next preceding December 1, 1858, was.....	309,858 27
The amount of interest received for the use of the same was.....	67,465 25

The following is a statement of interest annually accruing on the "unrecognized" (part paid) \$5,000,000 loan bonds, by reason of the accumulation of interest and its incorporation into the Adjusted Bonds :

The amount issued May, 1838, known as "Unrecognized Bonds," is \$3,813,000; on which the State received only \$955,960 24; the annual interest on this amount would be.....	\$57,357 60
But the Adjusted Bonds, when all the part paid bonds outstanding are called in, will amount to \$1,921,611 07; upon which amount interest will amount to.....	115,297 65

An excess over the former amount, of interest upon the interest incorporated into the Adjusted Bonds, viz., interest on \$965,650 83.....	\$57,939 05
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The total amount of State debt on the 1st of Dec. 1850, was.....	\$2,488,498 66
On the 1st of December, 1854, it was.....	2,531,545 70
It had therefore increased in the four years next preceding my administration,.....	43,047 04
Total State indebtedness December 1, 1854,.....	2,531,545 70
“ “ November 30, 1858,.....	2,337,629 67
From which is to be deducted bonds redeemed 1st January, instant.....	20,000 00

Total,.....\$2,317,629 67

Diminution in four years,..... 213,916 00

V.—OHIO.

The public debt of Ohio exceeds \$20,000,000; her bonds being held at 106 a 108. The revenue of the State is about \$3,800,000, (New York city might take example by this,) and her expenditure, including \$1,100,000 annual interest, no more.

The finances of Ohio for the fiscal year ending November 15, 1858, were as follows :

RECEIPTS.

General revenue,.....	\$647,899
Canal Fund,.....	389,880
Sinking fund,.....	740,055
State common school fund,.....	1,213,097
Temporary loan,.....	704,657
Sinking fund commissioners, undrawn interest and other items,	57,362
Section sixteen, irreducible,.....	65,455
Canal, turnpike and railroad dividends,.....	25,539
Surplus revenue, principal,.....	10,261
Do interest,.....	10,371
National road,.....	6,105
Section twenty-nine, irreducible,.....	2,904
Virginia military school fund, irreducible,.....	2,715
Land sold by Fund Commissioners,.....	1,392
Western reserve school fund, irreducible,.....	588
Ohio Railroad Company,.....	300
District school library fund,.....	39
Total,.....	\$3,878,626

DISBURSEMENTS.

General revenue,.....	\$917,845
Canal Fund,.....	383,007
State common school fund,.....	1,196,942
Interest on foreign debt,.....	967,369
Do domestic debt,.....	16,757
Do Section sixteen,.....	110,499
Do Virginia military school fund,	12,096
Do Western reserve,.....	15,310
Do Section twenty-nine,.....	3,721
Do United States military fund,.....	7,216
Do Moravian school fund,.....	189
Principal on foreign debt,.....	12,004
Expenses of Sinking Fund Commissioners and exchange,.....	9,323
Ohio University fund,.....	170
District school library fund,.....	31
Total,.....	\$3,652,507

Balance in Treasury Nov. 15, 1858,..... \$226,118,

VI.—GEORGIA.

From the Report of the State treasurer of Georgia the following statement to October 20, 1858, has been prepared :

Balance in Treasury Oct. 20, 1858,.....	\$437,826
Received from earnings of State road,.....	200,000
Received from all other sources,.....	563,573
Total,.....	\$1,201,399
Paying legislature, session of 1857,.....	\$114,242
Public printing,.....	20,164
Lunatic Asylum, building, &c.,.....	83,712
Civil establishment,.....	57,141
Academy for blind, building, &c.,.....	19,500
Special appropriations,.....	72,093
Public debt, interest, &c.,.....	202,793
Miscellaneous objects,.....	175,889
	\$745,840
Balance in the Treasury Oct. 20, 1858,.....	\$545,119

This balance consists of bank stock, shares in the Gordon and Milledgeville Railroad, uncurrent funds, attorney's receipts, &c., all amounting to \$325,564, as available assets, and cash on hand \$130,555, subject to appropriation.

FINANCES OF THE UNITED STATES.

Receipts and Expenses of the United States for the Fiscal Year ending June 30, 1858.

RECEIPTS.		1857.	1858.
Customs,	\$63,875,905 05	\$41,789,620 96	
Sales of lands,.....	3,829,486 64	3,513,715 87	
Miscellaneous,.....	926,121 98	1,254,232 17	
Treasury notes,.....	.....	23,716,300 00
Total Receipts for Year,.....	\$68,631,513 67	\$70,273,869 60	
EXPENDITURES.			
Civil,	\$27,531,922 37	\$26,287,822 20	
Interior,.....	5,358,274 72	6,051,923 38	
War,.....	19,261,774 16	25,485,383 60	
Navy,	12,726,856 69	13,976,000 54	
Old debt,.....	503 21	5 00	
Redemption loan of 1842,.....	516,539 58	614,270 82	
Redemption loan of 1846,.....	714,013 26	26,400 00	
Redemption loan of 1847,.....	1,000,000 00	1,759,950 00	
Redemption loan of 1848,.....	898,150 00	1,435,900 00	
Redemption Texan stock,.....	143,000 00	23,000 00	
Creditors of Texas,.....	629,353 24	38,788 42	
Bounty land stock,.....	400 00	225 00	
Premium on stock,.....	363,572 39	574,443 08	
Interest on public debt,.....	1,678,265 13	1,567,055 67	
Payment of Treasury notes,.....	100 00	3,639,300 00	
Total Expenditure,.....	\$70,822,724 85	\$81,585,467 71	

It will be seen that the receipts for customs are about twenty-two millions below the total for the previous year. The receipts of treasury notes refer, of course, to money borrowed, part of which is entered as repaid in the expenses, when the notes have been redeemed. The expenses proper have increased most in the war and navy departments, chiefly in the former. The "civil," which includes foreign intercourse and all miscellaneous home expenses, shows a decrease.

BANKRUPTCY IN THE YEAR 1858.

(From the Annual Circular of Messrs. B. Douglass & Co., 314 Broadway, New York.)

IN OUR LAST ANNUAL CIRCULAR we discussed somewhat fully the *causes* of the commercial revulsion from which we had then just emerged, and it seems to us proper that we should now confine ourselves to its *effects*, as exhibited in the present condition and future prospects of the different sections of the country. We have, to this end, corresponded extensively, assisted by our Branch and Associate Offices. The results arrived at, must, from the nature of this Circular, be given in brief. The following digest, prepared from a mass of information, we now offer:

New York.—Our table shows a reduction in the number of failures as compared with 1857, of nearly forty per cent.; but taking New York city out, the proportionate reduction is much less. Our advices from different parts of the State concur in representing that while there is no marked revival of business, it is still moving forward, and on a surer basis than heretofore. There is, however, much indebtedness yet standing, especially in the large interior cities, and much, too, that will not be collected without coercion. Crops, as a whole, last year, gave about an average, though the depredations of the "fly" for several years past have, in some of the western parts, caused an almost entire cessation of planting the great staple—wheat. From this cause, and the general panic, the flour manufacturing interest remains much depressed, while land has receded in price; but it is hoped that ere long the wheat-growing sections will regain their old pre-eminence both as regards quality and quantity. Remarks which apply to one portion of this great State do not equally apply to others, and it is difficult to draw general conclusions. Upon the whole, although the panic was severely felt, there is nothing to cause despondency.

Pennsylvania exhibits a decrease of nearly thirty-two per cent. in failures, as compared with 1857. She has suffered severely, especially in the coal and iron regions, and prospects in those branches of trade are still gloomy. The crops, too, were small, and although money is more plentiful of late, the indications are, that business as a whole, is recovering slowly.

Ohio exhibits a decrease in failures of eighteen and one-half per cent. Real estate (except in Cincinnati and perhaps one or two other cities) is still depressed, being lower in price than for many years past. Money still commands high rates of interest, but the farmers had last year an average crop, and merchants are paying very well now. Although this State has suffered severely, she has escaped lightly, as compared with what was expected when the panic commenced, and her prospects for next year are proportionably good.

Indiana.—Failures have decreased near twenty-seven per cent., but as the number in last year's return was high, we cannot draw as favorable a deduction as at first sight would appear justifiable. The panic fell with

heavy weight, following so closely as it did the short crop of 1857—the wheat and corn crops of last year also yielding not over half an average, and forty days continued wet weather preventing much of even that from being gathered. Fewer goods are now being sold in proportion to the population than at any time previously. We do not look for a large number of failures from this State if merchants buy prudently; but the trade will be light.

Michigan.—Failures in 1858 are nearly equal to those of 1857, and the State recovers but slowly from her prostration. The staple (wheat) was not over two-thirds of an average crop, but the wool clip was good, and helped the deficiency. The lumber trade of northern Michigan is, as before, much depressed. Hard times still continue. The general indebtedness, however, has been considerably reduced,* and we look for fewer failures hereafter.

Illinois exhibits an increase of twenty per cent., but this would be an unfair indication taken in itself. The effects of the panic were not so instantaneously felt as in some other western States, and, as a consequence, the failures in 1857 (outside of Chicago) were proportionately small. The increase in 1858 was altogether in the rural portions of the State, thus bearing out this view. Leaving out of our estimate the city of Chicago (where much wild speculation and over-trading had been indulged in), this State has escaped well—the merchants alone are affected, and even upon them it has not fallen so disastrously as upon those in some other States. The receipts of corn and pork fell below an average last year, but those of wheat and beef were good. On the whole, the State is in fair condition, and, with the lesson of the panic to serve as a check, seems to have promising times ahead.

Iowa shows a decrease of seventeen per cent. Her failures in 1857 were large, it is true, but from the utter prostration she had undergone, we looked for even worse accounts last year. Probably no State was in so bad a condition for the revulsion when it came upon her; a combination of circumstances seemed to threaten utter ruin; everybody was in debt, no banks of issue, and no circulating medium but a foreign currency, which was withdrawn as soon as the panic was felt; crops failed last year, but in the Des Moines Valley there was a good supply of pork, which afforded some relief. The recent organization of a State Bank, with ten branches, and a capital of \$600,000, will work some relief, though the capital is too limited for the general good. Time must elapse before a healthy business can be done.

Wisconsin shows an increase of twenty-three per cent., which, with her large proportion of failures in 1857, proves that the effect of the panic has been peculiarly hard upon her merchants. Many of those who have struggled along thus far, will yet be forced into bankruptcy. Crops last year were fair, but the lumber business was much depressed. With a good crop or two, and some modification of recent legislation, prosperity will again be felt; but time must elapse ere this can be realized.

Minnesota suffered severely by the stoppage of immigration, one of its chief sources of wealth; speculation had run riot, and when the panic broke out, a sudden collapse took place, showing besides their mercantile, a

larger real estate indebtedness—the greater part of which has been paid by foreclosure of mortgages and transfers of property. Severe stringency in money matters is still felt; taxes remain unpaid to a large extent, and large issues of bonds have been made for railroad purposes—all of which will press heavily.

New England.—The number of failures in 1858 as compared with 1857, shows a decrease of thirty-six per cent., and many of these were from causes superinduced by the panic; and, if we look at the *amounts* of the suspended indebtedness of the two years, we find that the reduction is so large as to be almost surprising. As a general rule, although the business for the year has not reached a fair average, yet what has been done is of a healthy character. Most of the large cotton and woollen manufacturing establishments, when the year came in, were either running on short time or had a portion of their machinery lying idle; this cut down production and assisted them to make better terms. The boot and shoe and Yankee Notion manufacturers also restricted the amount of their manufactures. A very considerable number of operatives were thus thrown out of employ, and were obliged to resort to agricultural pursuits for a subsistence. Population in some of the large manufacturing towns decreased, and, of course, the amount of trade in such places has fallen off. We now observe that the demands of trade have started the woollen and cotton mills, and that there is promise of at least an average activity among the lesser manufacturers. The gradually returning prosperity of the country will be felt in New England in giving them a market for their fabrics and wares, and there is scarcely a doubt that the coming year will be one in which capital and labor can be employed with safety and a fair remuneration.

South (generally.)—We have not thought it necessary to go over Southern States *seriatim*, as we have done with the West. The comparative prosperity prevailing there, the general healthy tone of business, and absence of excessive and wild speculation, have rendered it, in our judgment, unnecessary. It is true, many of the States show by our table an *increase* in the number of failures for 1858 as compared with 1857, but there is no alarming symptom in this, when it is borne in mind that the worst effects of the panic were not felt in some places at the South until after the 1st of January, 1858. The accounts from all parts of the South, except portions of Virginia, are uniform in their testimony that trade is in a healthy condition. The crops produced were good, prices remunerative, and prospects generally, are very encouraging. We have excepted Virginia. Our accounts from that State are more discouraging. Last year's crop fell far short of an average, while for several years previous they had been, as a general thing, deficient. Money is still scarce, and considerable financial distress prevails. The number of failures (as per table) is a large increase upon 1857, and although to some extent accounted for above, it still bears out the desponding tone of our remark.

Canada West.—Our table shows an increase of sixty-two per cent. This is partly explainable by the fact that the opening of our branch offices in Montreal and Toronto has caused a large number of *very small traders* to be included (a class not embraced in former returns from Canada), still, with this allowance, we think it fair to assume that there has been an in-

crease over the number of failures in 1857. The effects of the panic upon the mercantile community have been very severe; but the fraudulent and weak are gone, speculation is checked, and, with a good wheat crop, a reaction would no doubt have taken place. It was, however, a failure—little more than that required for home consumption being raised, and but small relief was thus afforded. We believe that the worst is over; although, for some time, only light trade can be expected.

Canada East.—Our table exhibits an *increase* of one hundred per cent. of failures over 1857. The same remarks as to this increase, made in referring to Canada West, apply with even more appropriateness in this case. The effects of the panic were not as severely felt in this Province as in most other places; the people are slow, and not so apt to be led away by speculative tendencies as the more enterprising population of Canada West. Business is still dull, but the crops of 1858 were good, and the farmers are in good condition. Matters are not greatly changed there, nor has the Province suffered much.

The result of this carefully-prepared analysis will, we think, justify us in assuming, that there is ground for congratulation in the present aspect of commercial affairs. It is somewhat checkered, it is true, but encouragement is the prevailing feature; indeed, were it less so, we should have abundant cause for thankfulness when we consider the severe trials we have passed through. The conclusion is justifiable that we shall have a safe, if not an extensive trade, this year; and that the country at large needs but one or two good crops more from the hands of a bountiful Providence, to place us in as good a position, pecuniarily, as the panic found us occupying, with the additional advantage of a valuable lesson from its infliction. The great evil connected with the credit system lies in the fact that *competition* induces too *long* credits; but, with a judicious and discriminating credit system, we see no reason why these periodical injuries may not be avoided. THE MERCANTILE AGENCY, established specially to accomplish this, near twenty years ago, has, step by step, approached very nearly to perfection in its sphere. With the aid of its eighteen Branch and Associate Offices, and the country divided into small, compact districts, each presided over by an office in its centre, with numerous special and general correspondents in each town or county, errors can rarely occur; and, if they should chance to occur, can scarcely by any possibility remain uncorrected.

With regard to the table annexed, to which we invite your attention, we would say that it has been prepared more to enable merchants to compare the commercial disasters of 1858 with those of 1857, so as to arrive at some definite conclusion as to how far the panic has expended itself, rather than for more minutely analytical purposes. In our last, we included the number of stores with the number of failures, the percentage paid by those that failed, so as to arrive at the probable ultimate loss, &c. We had a reason for this that does not now operate to the same extent. The public mind was perturbed, panic stricken; and we conceived that the facts placed before them would show that the injury was greatly exaggerated, and that by boldly confronting the difficulty, and ascertaining its extent, courage would be gained to overcome it. Now we are looking *forward*—we wish to see as we go how much better we are doing than we were the preceding year, and this illustration the table we have prepared will give with sufficient approximation.

Statistics as to Failures from December 25, 1857, to December 25, 1858.

Location.	Number of failures in 1857.	Number of failures in 1858.	Average of liabilities of each failure in 1858.	Total amount of liabilities in 1857.	Total amount of liabilities in 1858.
NEW YORK.—City (including B'klyn & W'msb'gh).	915	406	\$43,777	\$135,129,000	\$17,773,462
Albany.....	35	22	15,714	838,000	345,708
Buffalo.....	72	36	16,665	4,224,000	599,940
Oswego.....	13	8	9,200	161,000	73,600
Rochester.....	31	15	23,000	850,000	345,000
Syracuse.....	29	19	21,500	436,000	408,500
Troy.....	24	10	27,857	1,607,000	278,570
Utica.....	20	10	21,222	585,000	212,220
Balance of the State...	447	340	12,693	6,789,000	4,815,620
PENNSYLVANIA.—Philadel- phia.....	280	109	91,765	32,954,000	10,002,385
Pittsburgh.....	28	22	27,761	1,183,000	610,742
Balance of the State...	226	232	20,033	2,283,000	4,647,656
OHIO.—Cincinnati.....	96	51	26,383	3,898,000	1,343,533
Cleveland.....	30	17	15,000	613,000	255,000
Balance of the State...	220	214	7,817	2,357,000	1,672,838
INDIANA.....	139	127	9,093	1,636,000	1,154,684
MICHIGAN.—Detroit.....	34	27	38,812	1,514,000	1,047,924
Balance of the State...	98	120	14,429	1,004,000	1,731,480
ILLINOIS.—Chicago.....	117	87	41,272	6,572,000	3,590,664
Balance of the State...	199	305	16,322	2,766,000	4,978,210
IOWA.—Dubuque.....	36	26	31,733	735,000	825,058
Balance of the State...	108	94	23,308	1,333,000	2,196,122
WISCONSIN.—Milwaukee.....	19	21	14,975	380,000	314,475
Balance of the State...	101	137	17,779	1,244,000	2,435,723
MINNESOTA AND TERRI- TORIES.....	63	90	15,176	1,705,000	1,365,840
DELAWARE AND DIS. OF COLUMBIA.....	20	46	6,025	261,000	277,150
MASSACHUSETTS.—Bost'n Balance of the State...	253	123	33,975	41,010,000	4,178,925
RHODE ISLAND.—Provi- dence.....	230	128	15,139	2,611,000	1,937,792
Balance of the State...	35	17	22,000	4,564,000	374,000
CONNECTICUT.....	4	13	21,071	105,000	273,923
MAINE.....	61	89	24,870	1,129,000	2,213,430
NEW HAMPSHIRE.....	81	61	10,591	1,060,000	646,051
VERMONT.....	70	37	10,896	928,000	403,159
NEW JERSEY.....	57	40	6,968	473,000	278,720
LOUISIANA.—New Orleans. Balance of the State...	86	60	12,930	1,142,000	775,800
MISSOURI.—St. Louis.....	58	45	77,000	6,285,000	3,465,000
Balance of the State...	5	13	26,300	246,000	341,900
MARYLAND.—Baltimore.....	49	22	35,590	5,522,000	782,980
Balance of the State...	29	29	21,000	433,000	609,000
KENTUCKY.—Louisville.....	58	76	32,140	3,206,000	2,442,640
Balance of the State...	41	92	5,663	725,000	520,966
VIRGINIA.—Richmond.....	19	18	30,859	757,000	555,462
Balance of the State...	31	62	11,000	1,007,000	682,000
GEORGIA.....	30	25	19,965	781,000	499,125
ARKANSAS.....	90	244	8,950	982,000	2,183,800
ALABAMA.....	32	71	19,933	925,000	1,415,243
MISSISSIPPI.....	7	17	43,500	309,000	739,500
TENNESSEE.....	16	48	42,474	295,000	2,038,752
TEXAS.....	11	36	29,250	445,000	1,053,000
NORTH CAROLINA.....	40	103	15,505	712,000	1,597,015
S. CAROLINA.—Charleston. Balance of the State...	15	28	16,694	393,000	467,432
FLORIDA.....	62	90	16,660	1,171,000	1,499,400
Balance of the State...	31	20	28,909	922,000	578,180
Total United States.....	24	21	14,100	305,000	249,900
CANADA WEST.—Toronto. Balance of Canada W. CANADA EAST.—Montreal. Balance of Canada E. NOVA SCOTIA AND NEW BRUNSWICK.....	7	6	23,740	250,000	142,440
Total United States and British Provinces.....	4,932	4,225	23,961	291,750,000	95,749,662
Balance of Canada W.	25	16	6,189	2,714,000	383,876
Balance of Canada E.	109	211	27,751	2,172,000	1,305,879
Balance of Canada E.	15	40	28,035	523,000	1,110,040
Balance of Canada E.	15	22	28,035	1,267,000	616,770
Balance of Canada E.	22	23	44,428	1,375,000	1,021,844
Total United States and British Provinces.....	5,118	4,537	29,801,000	100,187,571	

States in which failures increased in 1858.

Michigan.....	15	Arkansas.....	10
Illinois.....	75	Alabama.....	32
Wisconsin.....	38	Mississippi.....	25
Minnesota and Territories.....	27	Tennessee.....	63
Delaware and Dis. of Columbia.....	26	Texas.....	13
Connecticut.....	28	North Carolina.....	28
Maryland.....	69	Canada West.....	93
Kentucky.....	30	Canada East.....	32
Virginia.....	149	Nova Scotia and New Brunswick....	1
Georgia.....	39		

States in which failures decreased in 1858.

New York City and State.....	720	New Hampshire.....	33
Pennsylvania.....	171	Vermont.....	17
Ohio.....	64	New Jersey.....	26
Indiana.....	12	Louisiana.....	5
Iowa.....	24	Missouri.....	27
Massachusetts.....	232	South Carolina.....	14
Rhode Island.....	9	Florida.....	1
Maine.....	20		

DR. FRANKLIN ON PAPER MONEY.

TO THE EDITOR OF THE N. Y. TRIBUNE:

SIR:—From an article in yesterday's paper, I think you esteem Dr. Franklin a much more inveterate paper-money man than he really was. It is true he wrote some essays on a certain description of paper-money that would not find much countenance at the present day, even from *The Tribune*. The Doctor, however, honestly admits, in reference to those essays, that he was very poor at the time, and that he got a first-rate fat job for printing the "bills of credit," in whose favor he wrote. In connection with that subject, he observed, many years after, that such a currency was liable to very dangerous abuses. In the Convention that framed the "Hard-Money" Constitution of the United States, neither speech nor vote was given by him (I am told, but have not yet examined for myself) against the sections making gold and silver the only legal tender, and prohibiting the States from issuing bills of credit—a comprehensive term that includes "State bonds" as well as other bills of credit, "or of no credit," as a writer once waggishly observed in writing on this subject.

By the extract I enclose, taken from a letter of Dr. Franklin, August 8, 1767, it will be seen that he was in favor of the only *true protection* of home industry, by using "*no paper money at all*."

No tariff could be half so effectual in protecting our industry as the prohibition of paper money—at least all under \$100. It would be equivalent to a protection at least of 100 per cent., and why shall not American labor enjoy that protection, particularly when it would be only seconding the injunctions of the Constitution?

J. W.
 "Indeed, I think with you, that those merchants here, who have made difficulties on the subject of the legal tender, have not understood their own interests. For there can be no doubt that, should a scarcity of money continue among us, we shall take off less of their merchandise, and attend more to manufacturing, and raising the necessities and superfluities of life among ourselves, which we now receive from them. And perhaps this consequence would attend our making no paper money at all, of any sort, that being thus, by a want of cash, driven to industry and frugality, we should gradually become more rich without their trade than we can possibly be with it, and by keeping in the country the *real* cash that comes into it, have in time a quantity sufficient for all our occasions. But I suppose our people will scarce have patience to wait for this.

"Please to present my duty to the Assembly, with thanks for their care of me, and assure them of my most faithful services.
 BENJAMIN FRANKLIN."

A REVIEW OF THE YEAR 1858.

WITH REMARKS ON THE PROSPECT FOR 1859.

From the London "Times," Jan. 1st, 1859.

IF 1859 should as far as 1858 exceed the promise of its opening, the financial world will have reason to rejoice. Never were there more threatening contingencies than on the 1st of January 1858, yet they have all disappeared, and we commence the new year without a single point of disturbance. The results of the great commercial failures, especially those connected with America, have been so unexpectedly retrieved that we have seen the house whose difficulties caused the most wide-spread alarm—that of Dennistoun and Co.—discharge the whole of their liabilities of £2,000,000, with interest at 5 per cent., and thus anticipate by nearly a couple of years the most sanguine hopes they were able at that time to entertain. All the principal firms in the Swedish trade have achieved an equally honorable extrication, and to the mind of the general public the operation of the panic, by which our system was cleared of the vilest scum that had ever accumulated on its surface, is already almost as much a dream as if it had taken place under chloroform. Politically, the melting away of the Indian rebellion, and the opening of China and Japan, have been just as strange. At the best it was supposed each would require years of effort and millions of expenditure, while the more common belief was that we should go from bad to worse, until the drain on our resources might present temptations on the Continent, such as to render the liability to our suddenly finding ourselves "within a few hours of war," a sober fact instead of a fiction of an imaginative Chancellor of the Exchequer. A great harvest following upon previous abundance, a full supply of cotton, and the discovery of the gold mines in British Columbia, have completed the satisfactory tale. Our position, therefore, is one of as much confidence as in the present condition of Europe can exist, and the mercantile community regard it in that aspect. Whether they owe it in any degree to the Ministry who sent Lords Canning and Clyde to India and Lord Elgin to China, is a question which will not probably occupy their thoughts. From an abundance of Spring speeches they will learn that the pacification of the East, the supply of cotton and breadstuffs, and the exhilarating state of the currency, are the happy consequences of the nomination of the present Cabinet, while the exceptional fact that the shipping interest has overdone itself, will, according to Lord Malmesbury's inspiration, be laid at the door of their predecessors.

Setting politics aside, the course of the money-market for 1859 seems certain to be calm. For five years after the panic of 1847 the average rate of interest was 3 per cent. It takes that time for a new mania to be fully inaugurated. Although the unemployed reserve of the Bank is approaching the highest point ever reached, and the bullion is steadily going in the same direction, there is consequently no sign of coming excitement.

But the demands upon us will be ample, and such as each investor should keep before him in order to allay from time to time any tendency to run into the first bargain that may be offered him. The main question in relation to the value of a 5 or 6 per cent. bond is as to the number of such bonds that are likely to be put upon the market. Keeping this in view, a very low price will be quite sufficient for such commodities throughout the current year. No one is likely to be too late to be accommodated. If a man finds he has neglected to bid for part of the first batch of the New Victoria 6 per cent. debentures for £7,000,000, he may rely upon subsequent opportunities during the three or four years in which they are to be supplied at the rate of £150,000 per month. Even if this were not the case, and the whole were found insufficient to meet our eager demands, the sister colonies of New South Wales and South Australia would doubtless, under the circumstances, step in to mitigate the disappointment. The Cape of Good Hope is likewise ready to meet our wants, the capacity of Canada is inexhaustible, while from India,—notwithstanding a momentary pause in order to give the public an interval not to digest but simply to draw breath after what they have already taken,—there will not only be an overwhelming pressure of new creations, but also perhaps a ceaseless supply of these Government securities (representing a total of about 50 millions sterling) that have hitherto floated exclusively in that market, and for the importation of which the Council of India have thought it expedient to institute special facilities. Moreover, supposing all these should not suffice, there will still be inexhaustible alternatives. If any slow capitalist in search of a security should be too late in the field even to procure a single colonial or territorial debenture—if he should find Australia, Canada, India, the Cape, all rejecting his outstretched purse, owing to the avidity with which their crumbs of paper have been caught up by the earlier competitors—there will still be quarters in which he may seek what he requires. Austria is about to express her readiness to take six or eight millions; Russia will do as much, or even more; Sardinia is building fortifications, and manifesting proclivities which never fail to end in pecuniary negotiations; and although France, after having for the past 10 years increased her national debt at the rate of ten millions per annum, has now, with respect to 1860, made the usual announcement, that the revenue will not only meet the expenditure but leave a large surplus “applicable to the sinking fund,” it would not be wise to reply entirely upon her absence from the market. Meanwhile remittances for the Turkish and Chilian Loans remain to be completed, and the former can be bought at a discount, and the latter at something only a shade better. The advice, therefore, that may be safely given to all persons with redundant cash during 1859 is, “Do not be in a hurry.” It would be useless, and, if not useless, unwise to recommend a refusal of all or a greater part of the applications that are about to be presented. Even when the colony of Victoria authorizes by one resolution the issue of a total of debentures which will render the debt of the colony, in comparison with its population, nearly the same as respects the amount of annual interest as the national debt of England, or when India contracts obligations which designing enemies will ultimately point out to the native as a burden that might be got rid of by a new insurrection; or when Austria or Russia proposes loans which will establish a drain of gold that will make the payment of the last instalment a very different affair from that of the first, there is no inherent

objection to the transaction. It should be simply a question of price. Let that afford an ample margin for risks and inconveniences, and we may enter into all these businesses with advantage. But the plan of late years has been too much limited to the benefit of contractors, who get their commission if the loan can but be made just to float, and who therefore compete for it by the highest possible biddings. There is consequently no one to enlarge upon its drawbacks, and the borrowing countries at last have the complacency to measure credit, not by their own but by the English standard, and to tell us that, although it might be impossible for them to raise what they want elsewhere at 7 or even 10 per cent., we ought to be gratified if, when Consols return only 3 per cent., they will come and give us bonds that will promise 5. Perhaps, however, the fact staring us in the face at starting, that the aggregate amount already booked to be raised from us by distant countries before the 31st of December next cannot be computed at much less than 30 millions sterling, will have the wholesome effect of inducing people to make their calculations through a more rational medium, especially as these 30 millions do not include a single contribution to America, protracted experience having at length so damped the appetite for 6 per cent. from that quarter as to render it no longer formidable.

Of course all the projected negotiations must depend on the stream of politics, but here there is one consideration that almost wholly neutralizes the distrust that might prevail. The fact that large loans are wanted by some of the chief European Powers, although it will be viewed by many with dissatisfaction, should, in reality, for the time, be a source of comfort. If Russia wants eight millions, as is unquestionably the case, we need not fear but that every thing will be kept smooth until the transaction is completed. Sardinia, likewise, if she has any similar request to make, will delay her appeal to French bayonets to establish French liberty in Italy pending the completion of the requisite contract and the payment of the first instalments. Austria, in the same spirit, will be slow to resent the neighboring conspiracies by which she may be threatened. What will be the turn as soon as the money is subscribed, and our capitalists are committed to the payment of the whole, is another question. It is consoling to know that up to that time, supposing no unforeseen casualties to occur, the public will receive from all diplomatic quarters the most bland assurances that the motto not only of the French Empire, but of all Europe, is "Peace." We may have little affairs like that of Portugal, and may also see France and Spain engaged in watching Mexico, and America seizing her territory as a material guarantee, while our own claims, which quadruple those of any other nation, are allowed to be unprovided for; but nothing will be ventured by any of these Powers except in the assurance that for the sake of present harmony, whatever may be its future cost, it will have the toleration of the English Government. For several months, therefore, the reign of quietness seems certain.

For ordinary joint-stock enterprise the prospects of 1859 are not exciting. Individual morality in the trading community is at a bad point, and the fact that there is a far lower standard for boards of direction, is enough to make all men hold their hands. The extension of telegraphic communication seemed recently to tempt the greatest aims, but the fate of the Atlantic cable, and the break in that of the Mediterranean Company, will

effectually cool even any faint disposition that might have existed to encounter in this direction some personal risks. A year back the land line to India by the Tigris might have been in operation but for the breach of faith with the company in deference to French influence. Another opening for enterprise which might have been found in Nicaragua, and which would have been wonderfully stimulated by the new treaties with China and Japan, and the influx to the gold-fields of New Columbia, is not only closed to us in consequence of the treatment in 1852 of the American offers for equal and peaceful co-operation in opening up that route, but is, and has been for seven years past, as was predicted would be the case, a cause of constant and often alarming irritation between the two countries. Thus there is no new and attractive field for exploration that can be conjectured, and the loan contractors will have a clear stage. That our stock of specie will be maintained until their operations begin to tell, there can be little doubt. The exportations to China can have no permanent effect in the opposite direction, since, in due time, silk will come to us in return to be distributed over the continent and elsewhere, and operate upon the French and other exchanges, like a remittance of so much gold. We may likewise expect, during the year, to obtain some of the stipulated indemnity. Thus, with the exception of the constant drain to India under the guarantee system, there is nothing to counteract that influx of money which, owing to her enormous foreign investments, Great Britain always experiences when her trade is kept to cautious limits, and speculation is suspended. As to the operation of the various gold fields, including even those of British Columbia with their occasional returns of £13 a-day per man, they need not be taken into account. The multitude will of course continue to fancy that they are vast sources of wealth, but it may be hoped that financial persons are beginning to recognize that their sole effects consist in altering the relations of property, and drawing away labor to a totally unproductive pursuit, since, by every ounce of gold raised the value of the existing stock, which depends upon scarcity, is proportionably depreciated. We may rejoice to watch the workings of Providence in thus attracting our race to new regions, and contemplate with solemn pleasure the distant time when the communities thus planted will exercise influence over the world. But we cannot too soon get rid of the delusions which have hitherto attended the movement, when viewed only in the paltry light of its momentary gratification of the acquisitiveness of individuals at the cost of withdrawing them from occupations calculated to contribute to us something that has a natural instead of an artificial worth, and is capable of ministering to the wants of mankind.

Annexed are the stock and share fluctuations during the past twelve-month. Throughout the whole period the extreme range of Consols was 5 per cent., that of the preceding year having been 8; while, in 1856, it was 10 $\frac{3}{4}$ per cent. The highest price, 98 $\frac{1}{4}$, was touched on the 11th of October, and the lowest, 93 $\frac{1}{4}$, on the 1st of January. The difference between the opening and closing prices of the year shows an advance of 3 per cent. In railway shares the average range of fluctuation has been at least 15 per cent.; while the rise established has been about 4 or 5 per cent. As regards the Bank bullion, its amount at the commencement was £11,454,961; it reached £19,526,475 on the 6th of October, and now stands at £18,967,100, or £7,512,139 in excess of the amount held a year

ago. At the Bank of France the total at the beginning was about £11,000,000; it touched its highest point (£23,750,000) on the 9th of September, and at the date of the last return was £22,170,000. On the Paris Bourse the advance established has been 5 per cent., the upward movement in each of the two preceding years having been 2 per cent., thus making a total recovery of 9 per cent. since the close of 1855. With respect to the declared value of our exportations, the Board of Trade tables thus far, which comprise only 11 months of the year, show a table of £106,555,562, against £115,007,196 in the corresponding period of 1857, being a decrease of 8 per cent. In contrast with 1856, however, there is a slight increase—about $\frac{3}{4}$ per cent. The changes in the Bank rate of discount, which were nine in number in 1857, have been six. On the 1st of January the rate was 8 per cent., but before the middle of the following month it was down at 3 per cent., remaining at that point till the 9th of December, when a reduction was made to $2\frac{1}{2}$. In the cotton-market there have been considerable fluctuations. The highest price of the year was attained in March, and there has since been a fall of $\frac{3}{4}$ d. per lb. In the wheat-market there has been an almost continuous decline from 49s. 3d. per quarter on the 1st of January, to 41s. 1d., the quotation of to-day.

FLUCTUATIONS IN THE LONDON STOCK AND SHARE MARKETS DURING THE YEAR 1858.

	Price on 1st Jan. 1858.	Highest price during Year.	Lowest price during Year.	Prices 1st Jan., 1859.
Consols.....	93 $\frac{1}{4}$	98 $\frac{1}{4}$	93 $\frac{1}{4}$	96 $\frac{1}{4}$
Exchequer bills.....	2s. prem.	45s. prem.	par.	37s. pm.
RAILWAYS.				
Brighton	108	114	104	112
Caledonian.....	85 $\frac{1}{2}$	97 $\frac{1}{2}$	70 $\frac{1}{2}$	88 $\frac{1}{2}$
Eastern Counties.....	60	65 $\frac{1}{2}$	57	64
Great Northern.....	98	109	96 $\frac{1}{2}$	107 $\frac{1}{2}$
Great Western.....	56 $\frac{1}{2}$	63	48 $\frac{1}{2}$	56 $\frac{1}{2}$
London & North-Western R. R....	98 $\frac{1}{2}$	102 $\frac{1}{2}$	87 $\frac{1}{2}$	97 $\frac{1}{2}$
Midland	92	104 $\frac{1}{2}$	89 $\frac{3}{8}$	103 $\frac{1}{2}$
Lan. & York.....	94 $\frac{1}{2}$	99 $\frac{3}{8}$	87	99 $\frac{1}{2}$
Sheffield.....	39 $\frac{1}{2}$	41 $\frac{1}{2}$	32 $\frac{1}{2}$	40
South-Eastern	72 $\frac{1}{2}$	76 $\frac{1}{2}$	65	75 $\frac{1}{2}$
South-Western.....	97 $\frac{1}{2}$	100	90	95 $\frac{1}{2}$
N. East—Berwick.....	98	100	88 $\frac{1}{2}$	95
York & N. Midland.....	86	87 $\frac{1}{2}$	65 $\frac{7}{8}$	78
Northern of France.....	38 $\frac{1}{2}$	40 $\frac{1}{2}$	35 $\frac{1}{2}$	40
East Indian.....	113	114 $\frac{1}{2}$	100 $\frac{1}{2}$	108 $\frac{1}{2}$

BANK STATEMENTS.—The people of North Carolina, whether Stockholders or not, are interested in the condition of the Banks, but yet have no means of knowing what that condition is. Those institutions are required to make semi-annual Reports to the Governor, but no provision is made for publishing the Reports, except once in two years, when the Legislature meets, the whole are ordered to be printed together, and even of these it is not easy to get a copy out of Raleigh. The Legislature, rather unwisely as we think, rejected a proposition to supply the different newspapers in the State each with a copy of the documents ordered to be

printed during the session. It is only by the most persevering efforts that we or other editors are able to get those documents, and it is only when so obtained that the people of the State are supplied with an account of what they contain.

We call attention to the condensed statement we have compiled of the condition of all the Banks in the State, as shown by their latest returns to the Governor. And for the sake of comparison we have copied a similar condensed statement which we then made of their condition at that time. By these the reader can see at a glance not only the material facts as to the condition of the Banks, but also the changes which have occurred in that condition within the last two years.

As a whole, these figures show that the banks are stronger than they were two years ago, chiefly in the large diminution of notes in circulation, and increase of foreign exchange. The decrease of discounts and the increase of deposits show a diminished demand for money, and either a want of sources for investment or a disinclination to invest.

It will be observed that the aggregate circulation is not equal to the aggregate capital by 1,081,500 dollars. That is, though the banks are allowed by their charters to issue two dollars for every one dollar of capital, they have actually only 80 cents of issue for every dollar of capital. The right to issue two for one, therefore, which is so much dwelt upon by the enemies of banks, is really a nullity. The banks cannot exercise the right with safety, and are too careful of their credit even to approach the limit of the law. Only four of the banks have as large a circulation as capital. The aggregate of specie and foreign exchange is more than the aggregate circulation.—*Fayetteville Observer*.

LEGAL MISCELLANY.

FRAUD—DELUSION—DELIVERY.

Before the Supreme Court of Vermont, Nov. 1858.

Bank of the Republic N. Y. v. Baxter and others.—This is a bill in equity to compel the restoration of money fraudulently obtained from the plaintiff. The plaintiff had been accustomed to issue certified checks to certain limited amounts, in favor of A. S. Baxter, upon credit. This practice had continued for a number of years, as is the common custom with many of the banks in the city of New York, in regard to their customers, it being understood that such customers shall deposit the amount for which such checks are certified, in the course of the same day, within business hours.

Baxter had been a man of considerable property, but at the time of the transaction in question had no means beyond the shreds and fragments of fancy stocks which adhere to a Wall street broker when his fortunes become desperate, and the hope of some successful speculation turning up in relief of his broken fortunes; when he obtained this check for \$7,500 to meet a debt he owed his brother, in Rutland, Vt. His brother

had directed him to deposit the money in the Metropolitan Bank, N. Y., to the credit of the Rutland Bank, Vt., for the benefit of H. H. Baxter, but without any communication with the Metropolitan Bank.

A. C. Baxter deposited the check during banking hours of the day it was obtained, and wrote his brother by the mail of the same day, informing him of the deposit. The Metropolitan Bank informed the Rutland Bank of the deposit by the first mail also.

Upon discovery of the fraud at the close of the business of the day, the plaintiffs insisted that A. S. Baxter should countermand his notice to his brother, by telegraph, which he did; and the Metropolitan Bank did the same in regard to the Rutland Bank, but had before passed the money to their credit, which on settlement was allowed them, at the close of the business of the day or of the week. The first information H. H. Baxter had in regard to the deposit was that it was countermanded; and so of the Rutland Bank, who accordingly retained the money till secured, that it should be ultimately paid to the party entitled.

This bill was brought to determine that question. The Court *held*, that although A. S. Baxter made no positive representation on the day he obtained this check, in regard to his solvency, yet as he knew the plaintiffs were acting upon the belief that he was a man of property, and would not give the certificate except upon that belief, his allowing them to so act upon what he knew to be a delusion, was as much a fraud as if he had positively represented himself at the time to be solvent, and that the whole transaction was therefore void as to him, and that as there had been no communication between H. H. Baxter and the Metropolitan Bank, and no notice of the deposit until after the countermand by telegraph, no such right to the money had vested in him as to entitle him to hold it against the plaintiffs. A decree therefore passed for the orator.—*Law Reporter*.

REPORT OF THE DIRECTOR OF THE MINT, FOR THE YEAR 1858.

TO HON. HOWELL COBB, *Sec. of Treasury of the U. S.*

MINT OF THE U. STATES, *Philadelphia, Nov. 9, 1858.*

SIR:—I have the honor to present the following report of the operations of the Mint and its branches, including the Assay Office, for the year ending June 30, 1858.

The deposits received and coinage executed at the principal mint during the year, that is to say, from the 1st July, 1857, to the 30th of June, 1858, inclusive, were as follows: gold deposits \$9,876,842 30, gold coins struck, \$10,200,788 50; fine gold bars, \$21,088 10; silver deposits and purchases, including silver parted from California gold, and amount received in exchange for cents of the new issues, \$3,337,541 58; silver coins executed, \$4,970,980; silver bars, \$843,37; cents coined, \$234,000; total

deposits of gold and silver, \$13,214,383 88; total coinage, \$15,427,699 97. The coinage was comprised in 44,833,766 pieces.

The deposits received at the branch mint at New Orleans amounted to \$4,455,460 54; of which the sum of \$1,148,793 33, was in gold, and \$3,306,667 21, in silver. The coinage amounted to \$1,315,000 in gold, and \$2,942,000 in silver; total coinage \$4,257,000, comprised in 10,226,000 pieces.

The branch mint at San Francisco received gold deposits to the amount of \$19,123,111 28, and silver, the sum of \$193,388 24. The coinage operations were as follows: gold coin, \$18,459,800, unparted gold bars, \$816,295 65; silver coins, \$127,750; silver bars, \$19,752 61; total coinage, \$19,423,598 26; comprised in 1,362,028 pieces.

The deposits at the branch mint at Dahlonega amounted to \$95,614 58; the coinage, \$100,167; the number of pieces struck was 21,793. At the branch mint at Charlotte, the sum of \$176,067 49 was deposited for coinage; the coinage, comprised in 40,122 pieces, amounted to \$177,970. The operations of the two last named institutions are confined to gold.

The assay office at New York received, during the year, the sum of \$21,073,882 31 in gold bullion, and \$2,362,357 64, in silver; the number of fine gold bars stamped at this office was 7,052, of the aggregate value of \$21,798,691 04; silver bars, 894, of the value of \$171,961 79.

The entire amount of bullion received at the several minting establishments during the year were as follows:

Gold,.....	\$51,494,311 29
Silver,.....	9,199,954 67
Total,.....	\$60,694,265 96

The coinage operations during the same period, were as follows:

Gold, number of pieces.....	2,085,755 value...	\$52,889,800 29
Silver, number of pieces.....	31,005,900 value...	8,233,287 77
Cents, number of pieces.....	23,400,000 value...	234,000 00
Total number of pieces.....	56,491,655	\$61,357,088 06

The total deposits received at all the mints, as above stated, amount to \$60,694,265 96; in this sum, however, are embraced the re-deposits at the different institutions. Deducting these re-deposits, the actual amount of the precious metals brought to the mint and its branches during the period embraced in this report was \$49,821,501 87.

The amount of gold of domestic production deposited during the year was \$40,977,168 55; derived as follows: from California, \$40,591,140 83; from Oregon, \$9,181; and from the Atlantic States, \$376,846 67.

The deposits of Spanish and Mexican fractions of the dollar at the principal mint, the branch mint at New Orleans, and the assay office at New York, from the passage of the act of February 21, 1857, entitled "An act relating to foreign coins and to the coinage of cents at the Mint of the United States," to the 30th of June, 1858, have amounted to \$1,072,434; of this amount the sum of \$293,246 was deposited at the principal mint for exchange for cents coined under the act above cited.

The amount transferred to the Treasury of the United States from the

mint and its branches on account of the charge on gold coinage of the half of one per cent. and of the profits on the coinage of silver, are as follows: Gold coinage charge, \$148,674 59; profits on silver purchases, \$120,791 32. If we add the balance which stands to the credit of the cent coinage account, which may be stated at \$50,000, it will be seen that the amount paid, or transferable, into the Treasury of the United States from the Mint and its branches for the period embraced in this report, is \$319,465 91. The act of Congress approved February 21, 1853, which authorized a deduction of the one-half of one per cent. from depositors of gold, as a coinage charge, applied "in all cases, whether the gold deposited be coined or cast into bars or ingots;" but a subsequent law, section 7, act of March 3, 1853, relieved deposits paid in bars from this charge, and made it applicable to coin only. The amount in value of fine gold bars paid out to depositors during the year was \$14,070,330 72. If the charge above stated had been imposed upon the depositors of this bullion, it would have yielded \$70,351 65 to the Treasury of the United States. I think it is inexpedient to make this distinction in favor of bars; and I therefore beg to repeat the suggestion contained in my last report, namely, that the law in question be so altered as to restore the former act, and thus authorize the charge to be made to depositors of bullion, whether they are paid in fine bars or in coin.

The third section of the act of Congress approved February 21, 1857, makes it my duty to cause assays to be made, from time to time, of such foreign coins as may be known to our commerce, to determine their average weight, fineness, and value, and to present a statement thereof in my annual report. In my last report I embraced a very full and particular statement on this subject. Since then we have made many assays of the more important varieties of foreign coins, and such as enter into our commerce, but I have nothing material to add to the facts set forth in that statement, except so far as it presents the present values of foreign silver coins. These values have been materially changed, in consequence of the reduction of the mint price of silver. This reduction has become necessary, because the supply of silver coins in several of the Atlantic cities is too abundant, especially in such of them as permit the circulation of bank notes of a less denomination than five dollars. The price per ounce, of standard fineness, has been reduced from 122½ to 121 cents. I have therefore caused tables of weight, fineness, and value to be constructed conformable to the latter rate, and have attached them to this report.

Within the last year some new varieties of bullion have been brought to our notice. The gold of the Frazer river region, of which, however, but little has reached us, is one of these varieties. It is found to be considerably alloyed with silver—more so than the average of California gold. With our present scanty knowledge we cannot rate it higher than 840 thousandths fine, on the average, which, allowing for the silver, would be \$17 50 per ounce, after melting.

Another variety which has been brought to our attention is the gold from the Platte river, of which we have had but one sample. This was of high fineness, equal to that of Australia, and a little superior to that which was formerly received from Santa Fé, through the overland traders. The sample alluded to gave a fineness of 964 thousandths; equal to \$19 92 per ounce, after melting. A deduction of from two to four per cent. upon

the values above stated will give a proximate valuation of native unmelted grains, free from the gangue or stony substance.

The Mint has lately received a deposit of Chinese stamped ingots of gold. They were sufficiently uniform in weight and fineness to induce the belief that they were intended to be of a definite value for the purposes of currency. In fact the gold and silver currency of China is always in stamped bars or ingots, and never in coined pieces, in the sense commonly understood in other parts of the world, except so far as Spanish and Mexican dollars are used, and these receive a Chinese stamp as they pass from one merchant to another. The gold ingots just mentioned were of the fineness of 966 thousandths, which probably is considered "sycee," or fine gold, in a commercial way, the value per ounce troy of which would be \$19 97. The average weight was eleven ounces eighty-hundredths (11.80) nearly, and the average value \$235 50, without the mint deduction for coinage. In Chinese language they were pieces of ten taels each, making the golden tael \$23 55. These particulars may be interesting to commercial men, and to the public, especially if it should be one of the effects of the recent treaty of our government with China to cause a current of gold in this direction, in payment for our manufactured exports. This was the first opportunity we have had of testing Chinese gold bars.

The production of silver from the mines of Lake Superior increases from year to year, but usually with the disadvantage of a large alloy with copper, so that the latter metal has to be sacrificed by the owner to render the silver available. The working of silver ores in other regions, however, has usually much greater difficulty and cost to contend with. Heretofore the yield of silver from Lake Superior was too inconsiderable to require a place in the statistical tables, but in view of the increased value of the deposits from thence during the last year, they will be found stated in this report, and will hereafter be regularly noticed.

For various reasons, growing out of production and trade, we now receive more of the Mexican dollars than for some years past. And the removal of the restrictions which formerly prohibited the exportation, from that country, of silver bars and amalgams, has much increased the supply of silver bullion. Much of it finds its way from the Mexican States, through Matamoras, to New Orleans; and I have reason to believe that the supplies from that direction will continue to be large and regular. The growing abundance of silver currency—though it is by no means excessive, nor can be while so many small bank notes are freely circulated—seems to open two questions to our consideration, namely: 1. Whether some measure cannot be adopted by which bank notes under the denomination of twenty, or at least of ten dollars, may be withdrawn from circulation. 2. Whether it is not expedient to extend the limit to which the silver coinage is now restricted as a legal tender. I do not purpose to enter upon the discussion of either of these questions further than to make one or two observations. 1. It is now quite evident that gold and silver are supplied and produced in sufficient quantities to provide the country with *money* and *change*. 2. It is not intended, by the suggestion in reference to the silver coinage, to extend the limit so as to interfere with gold as the chief medium of payments; but only so far as to increase the usefulness of the silver coins. If the limit were extended to fifty, or even a hundred dollars, no

inconvenience or injustice, it is believed, would be produced, but, on the contrary, many advantages would result from it.

In a former communication (November 4, 1857), I presented to your consideration some views upon the propriety of extending the benefits of a gold currency by authorizing the issuing of certificates on the deposit of gold bullion, and gold coins, at the mints; and of similar certificates on the deposit of gold coins at the Treasury and assistant treasuries of the United States. It seems appropriate that I should, in this report, call your attention to that part of the suggestion which relates to the issuing of mint certificates for deposits of gold bullion. The 19th section of the act supplementary to the act establishing the Mint, approved January 18, 1837, authorizes "the Treasurer to give to the depositor a certificate of the net amount of the deposit, to be paid in coins of the same species of bullion as that deposited." This section might, with great propriety, and with advantage to the public, be so altered as to permit the certificates for gold deposits to be issued in such sums as the depositor may desire, restricted to sums not less than fifty dollars, and made payable to the bearer on demand. The issuing of such certificates would induce a more general use of gold coins and their undoubted equivalent, and prepare the way for the expulsion of the paper money, which now, in violation of the Constitution, and to the injury of the people, usurps their place.

The tabular statements attached to this report exhibit in detail the operations of the Mint and its branches for the last fiscal year, and for previous years. The following statistics are presented by these tables, viz.: The deposits and coinage at the Mint and its branches, and the assay office, during the year ending June 30, 1858; the coinage operations of all the minting establishments of the United States, from their respective organizations to the 30th of June, 1858; the entire deposits of domestic gold at the mints and assay office for the same period; also the production, since January 1, 1841, of domestic silver, including amount parted from domestic gold; the amount of silver coined since the passage of the act approved February 21, 1853; the amount and denomination of fractions of the Spanish and Mexican dollar, and the cents of former issues, deposited at the Mint of the United States for the new cent; also the amount of fractions of the Spanish and Mexican dollar purchased since the passage of the act of February 21, 1857.

I have the honor to be, with great respect, your faithful servant,
JAMES ROSS SNOWDEN, *Director of the Mint.*

FOREIGN COINS.

A statement of foreign gold and silver coins, prepared by the Director of the Mint to accompany his annual report, in pursuance of the act of February 21, 1857.

EXPLANATORY REMARKS.

Only the principal denominations of coin in each country are set down, other sizes being proportional. When this is not the case, the deviation is stated.

The weight is given in the troy ounce and decimal fractions thereof, without being

carried out to an extreme. This method is preferable to the weight in grains for commercial uses, and corresponds better with the terms of the Mint.

The valuation of gold is given in two columns. In the first is shown the value as compared with the legal content or amount of fine gold in our coin. In the second is shown the value as paid at the Mint after the uniform deduction of one half of one per cent. The former is the value for any other purpose than recoinage, and especially for the purpose of comparison; the latter is the value in exchange for our coins at the Mint.

For the silver there is no fixed legal valuation. The law provides for a shifting of price according to the circumstances of demand and supply. At the moment of making this report, the price which previously was 122½ cents per ounce of standard fineness, has been reduced to 121 cents, at which rate the ensuing values are calculated.

Gold Coins Assayed at the United States Mint.

Country.	Denomination.	Weight.		Value.	Value
		Oz. dec.	Thous.	D.C.M.	after Deduction.
Australia,.....	Pound of 1852,.....	0.281	916.5	5.32 0	5.29.3
Australia,.....	Pound of 1855,.....	0.257	916.5	4.85.0	4.82.6
Austria,.....	Ducat,.....	0.112	986	2.28.0	2.26.9
Austria,.....	Souverain,.....	0.363	900	6.77.0	6.73.6
Belgium,.....	Twenty-five francs,.....	0.254	899	4.72.0	4.69.7
Bolivia,.....	Doubloon,.....	0.867	870	15.58.0	15.50.2
Brazil,.....	20,000 reis,.....	0.575	917.5	10.90.5	10.85.1
Central America,....	Two escudors,.....	0.209	853.5	3.66.0	3.62.2
Chili,.....	Old doubloon,.....	0.867	870	15.57.0	15.49.2
Chili,.....	Ten pesos,.....	0.492	900	9.15.3	9.10.7
Denmark,.....	Ten thaler,.....	0.427	895	7.90.0	7.86.1
Ecuador,.....	Four escudors,.....	0.433	814	7.60.0	7.56.2
England,.....	Pound, or sovereign, new,....	0.256.7	916.5	4.86.3	4.83.9
England,.....	Pound, average,.....	0.256	915.5	4.84.8	4.82.4
France,.....	Twenty francs, new,.....	0.207.5	899.5	3.86.0	3.84.1
France,.....	Twenty francs, average,.....	0.207	899	3.84.5	3.82.6
Germany, North,....	Ten thaler,.....	0.427	895	7.90.0	7.86.1
Germany, North,....	Ten thaler, Prussian,.....	0.427	903	8.00.0	7.96
Germany, South,....	Ducat,.....	0.112	986	2.28.3	2.27.2
Greece,.....	Twenty drachms,.....	0.185	900	3.45.0	3.43.3
Hindustan,.....	Mohur,.....	0.374	916	7.08.0	7.04.5
Mexico,.....	Doubloon, average,.....	0.867.5	866	15.53.4	15.45.6
Naples,.....	Six ducati, new,.....	0.245	996	5.04.0	5.01.5
Netherlands,.....	Ten guilders,.....	0.215	899	3.99.0	3.97.0
New Granada,.....	Old doubloon, Bogota,.....	0.868	870	15.61.7	15.53.9
New Granada,.....	Old doubloon, Popayan,.....	0.867	858	15.39.0	15.31.3
New Granada,.....	Ten pesos, new,.....	0.525	891.5	9.67.5	9.62.7
Peru,.....	Old doubloon,.....	0.867	868	15.56.0	15.48.2
Peru,.....	New, not ascertained,.....	....	....	....	....
Portugal,.....	Gold crown,.....	0.308	912	5.81.3	5.78.4
Rome,.....	2½ scudi, new,.....	0.140	900	2.60.0	2.58.7
Russia,.....	Five roubles,.....	0.210	916	3.97.6	3.95.7
Sardinia,.....	Same as France,.....	....	....	....	....
Spain,.....	100 reals,.....	0.268	896	4.96.3	4.93.9
Sweden,.....	Ducat,.....	0.111	975	2.26.7	2.25.6
Turkey,.....	100 piastres,.....	0.231	915	4.37.4	4.35.2
Tuscany,.....	Sequin,.....	0.112	999	2.30.0	2.28.9

Silver Coins Assayed at the United States Mint.

Country.	Denomination.	Weight.	Fineness.	Value.
		Oz. dec.	Thous.	D. C. M.
Austria,.....	Rix dollar,.....	0.902	833	1.01.3
Austria,.....	Scudo of six lire,.....	0.836	902	1.01.5
Austria,.....	20 kreutzer,.....	0.215	582	16.8
Belgium,.....	Five francs,.....	0.803	897	96.8
Bolivia,.....	Dollar,.....	0.871	900.5	1.05.4
Bolivia,.....	Half dollar, 1830,.....	0.433	670	38.5
Bolivia,.....	Quarter dollar, 1830,.....	0.216	670	19.2
Brazil,.....	2,000 reis,.....	0.820	918.5	1.01.3
Central America,.....	Dollar,.....	0.866	850	97.3
Chili,.....	Old dollar,.....	0.864	908	1.04.7
Chili,.....	New dollar,.....	0.801	900.5	97.0
Denmark,.....	Two rigsdaler,.....	0.927	877	1.09.4
England,.....	Shilling, new,.....	0.182.5	924.5	22.7
England,.....	Shilling, average,.....	0.178	925	22.2
France,.....	Five francs, average,.....	0.800	900	96.8
Germany, North,.....	Thaler,.....	0.712	750	71.7
Germany, South,.....	Gulden or florin,.....	0.840	900	41.2
Germany, North & South,.....	2 thaler or 3½ guld,.....	1.192	900	1.44.3
Greece,.....	Five drachma,.....	0.719	900	86.9
Hindustan,.....	Rupée,.....	0.374	916	46.0
Japan,.....	Itzebu,.....	0.279	991	37.0
Mexico,.....	Dollar, average,.....	0.866	901	1.04.9
Naples,.....	Scudo,.....	0.824	830	98.8
Netherlands,.....	2½ guilder,.....	0.804	944	1.02.3
Norway,.....	Specie-daler,.....	0.927	877	1.09.4
New Granada,.....	Dollar of 1857,.....	0.803	896	96.8
Peru,.....	Old dollar,.....	0.866	901	1.04.9
Peru,.....	Old dollar of 1855,.....	0.766	909	93.6
Peru,.....	Half dollar, 1835-'38,.....	0.483	650	37.7
Portugal,.....	Silver crown,.....	0.950	912	1.16.6
Rome,.....	Scudo,.....	0.864	900	1.04.7
Russia,.....	Rouble,.....	0.667	875	78.4
Sardinia,.....	Five lire,.....	0.800	900	96.8
Spain,.....	New piastreen,.....	0.166	899	20.1
Sweden,.....	Rix dollar,.....	1.092	750	1.10.1
Switzerland,.....	Two francs,.....	0.323	899	39.0
Turkey,.....	Twenty piastres,.....	0.770	830	86.5
Tuscany,.....	Florin,.....	0.220	925	27.4

The total coinage at the Branch Mint in Georgia, last year, was \$21,793, and at Charlotte, N. C., \$177,970, while the annual expenses at the two mints are stated by the Secretary of the Treasury to be over \$17,000, or about eight and a half per cent. of their coinage. Now if the expenses are necessarily so heavy at these two points, while the Treasury is not overburdened with available means, it seems to us that both branches might be dispensed with. They were established when the two States of Georgia and North Carolina were the principal gold producing States of the Union. The government is not bound to coin gold or silver for individuals at less than cost, any more than it is bound to grind wheat for producers at less than cost. We would therefore urge upon Congress the policy of doing away with all financial excrescences, such as Dahlgonega, Charlotte and New Orleans, and permit the gold from domestic sources to be coined at New York, Philadelphia and San Francisco. It is not simply one year's expenses that would thus be obviated, amounting to over \$100,000 (estimating the property at N. O. as valuable), but it is the expenses for years and years to come, amounting to many millions of dollars.

*Statement of deposits at the Mint of the United States and its branches
during the year ending June 30, 1858.*

<i>Description.</i>	<i>Mint of U. S., Philadelphia.</i>	<i>Branch Mint, New Orleans.</i>	<i>Branch Mint, San Francisco.</i>
GOLD.			
Foreign coin.....	\$50,295 00	\$679,772 23	.....
Foreign bullion.....	116,775 00	17,034 87	\$18,741 29
United States coin (O. S.).....	3,270 00	1,822 27	.....
Bullion.....	9,694,024 95	450,163 96	19,104,369 99
Parted from silver.....	12,477 35	.....	.....
Total gold.....	9,876,842 30	1,148,793 33	19,123,111 28
SILVER.			
Deposited (including purchases).....	3,325,048 50	3,304,231 86	78,059 56
United States bullion (parted).....	12,493 08	2,435 35	115,328 68
Total silver.....	3,337,541 58	3,306,667 21	193,388 24
Total.....	13,214,383 88	4,455,460 54	19,316,499 52

	<i>Branch Mint, Dahlonaga.</i>	<i>B'ch Mint, Charlotte.</i>	<i>Assay Office, New York.</i>	<i>Total.</i>
GOLD.				
Foreign coin.....	.....	.....	\$906,842 00	\$1,636,909 23
Foreign bullion.....	.....	.....	137,583 85	290,135 01
United States coin (O. S.).....	.....	.....	127 00	5,219 27
Bullion.....	\$95,614 58	\$176,067 49	20,029,329 46	49,549,570 43
Parted from silver.....	.....	.....	.....	12,477 35
Total gold.....	95,614 58	176,067 49	21,073,882 31	51,494,311 29
SILVER.				
Deposited (including purchases).....	.....	.....	2,176,142 39	8,888,482 31
United States bullion (parted).....	.....	.....	170,592 25	300,849 36
United States bullion, Lake Superior.....	.....	.....	15,623 00	15,623 00
Total silver.....	.....	.....	2,362,357 64	9,199,954 67
Total.....	95,614 58	176,067 49	23,436,239 95	60,694,265 96
Less value of gold, \$8,572,401 88,* and silver, \$2,300,362 21, redeposited at the different institutions.....	.....	.....	.....	10,872,764 09
Total deposits.....	.....	.....	.....	49,821,501 87

*Summary of the coinage of the Mints, to the close of the year ending
June 30, 1858.*

<i>Mints.</i>	<i>Gold coinage. Value.</i>	<i>Silver coinage. Value.</i>	<i>Copper Coinage. Value.</i>	<i>Entire coinage. Pieces.</i>	<i>Value.</i>
Philadelphia.....1793	\$319,913,701 06	\$90,085,448 82	\$1,896,813 55	588,971,929	\$411,895,963 43
San Francisco.....1854	90,770,885 13	562,187 06	.....	5,894,071	91,333,072 19
New Orleans.....1838	39,438,615 00	24,241,800 00	.....	82,145,845	63,680,415 00
Charlotte.....1838	4,641,629 00	.....	.....	1,117,629	4,641,629 00
Dahlonaga.....1838	5,925,914 00	.....	.....	1,333,461	5,925,914 00
Assay office, N. Y. 1854	73,860,024 74	302,071 42	.....	22,509	74,162,096 16
Total.....	534,550,768 93	115,191,507 30	1,896,813 55	679,485,444	651,639,089 78

* United States bullion.

Coinage of the United States Mint and Branches for the year ending June 30, 1858.

Denomination.	Mint of United States, Philadelphia.		Branch Mint, New Orleans.		Branch Mint, San Francisco.		Branch Mint, Dakota.		Branch Mint, Charlotte.		Assay Office, New York.	
	Pieces.	Value.	Pieces.	Value.	Pieces.	Value.	Pieces.	Value.	Pieces.	Value.	Pieces.	Value.
GOLD.												
Double eagles.....	468,504	\$9,370,080 00	47,500	\$950,000	885,940	\$17,718,800 00	.....	.....	.....	.....	.....	.....
Eagles.....	13,690	136,900 00	21,500	215,000	27,800	278,000 00	.....	.....	.....	.....	.....	.....
Half eagles.....	32,633	163,165 00	13,000	65,000	58,600	293,000 00	19,256	\$96,280	31,066	\$155,330	.....	.....
Three dollars.....	13,059	39,177 00	.....	.....	9,000	27,000 00	.....	.....	.....	.....	.....	.....
Quarter eagles.....	113,097	282,742 50	34,000	85,000	49,200	123,000 00	900	2,250	9,056	22,640	.....	.....
Dollars.....	208,724	208,724 00	.....	.....	20,000	20,000 00	1,637	1,637	.....	.....	.....	.....
Fine bars.....	53	21,088 10	.....	.....	.....	.....	.....	.....	.....	.....	7,052	\$21,798,691 04
Unparted bars.....	.....	.....	.....	.....	488	816,295 65	.....	.....	.....	.....	.....	.....
Total gold.....	849,760	10,221,876 60	116,000	1,315,000	1,051,028	19,276,095 65	21,793	100,167	40,122	177,970	7,052	21,798,691 04
SILVER.												
Half dollars.....	4,028,000	2,014,000 00	4,614,000	2,307,000	212,000	109,000 00	.....	.....	.....	.....	.....	.....
Quarter dollars.....	10,600,000	2,650,000 00	1,416,000	354,000	63,000	15,750 00	.....	.....	.....	.....	.....	.....
Dimes.....	680,000	68,000 00	1,540,000	154,000	30,000	3,000 00	.....	.....	.....	.....	.....	.....
Half dimes.....	4,000,000	200,000 00	2,540,000	127,000	.....	.....	.....	.....	.....	.....	.....	.....
Three cent pieces...	1,268,000	37,960 00	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Fine bars.....	6	843 37	.....	.....	.....	19,752 61	.....	.....	.....	.....	894	171,961 79
Total silver.....	20,384,006	4,971,823 87	10,110,000	2,942,000	311,000	147,502 61	.....	.....	.....	.....	894	171,961 79
COPPER.												
Cents.....	23,400,000	234,000 00	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
REGISTRATION.												
Total gold.....	849,760	10,221,876 60	116,000	1,315,000	1,051,028	19,276,095 65	21,793	100,167	40,122	177,970	7,052	21,798,691 04
Total silver.....	20,384,006	4,971,823 37	10,110,000	2,942,000	311,000	147,502 61	.....	.....	.....	.....	894	171,961 79
Total copper.....	23,400,000	234,000 00	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Total coinage...	44,833,766	15,427,699 97	10,226,000	4,257,000	1,362,038	19,423,598 26	21,793	100,167	40,122	177,970	7,946	21,970,653 83

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FLUCTUATIONS IN THE NEW YORK STOCK MARKET, 1858.

The following Table exhibits the closing Cash Rates for Leading Shares in the New York Stock Market at the Dates mentioned, being the first Week in each Month and on the last Day of the Year.

STATE LOANS.	1858.	Jan. 8.	Feb. 5.	Mar. 5.	April 2.	May 7.	June 4.	July 2.	Aug. 6.	Sept. 3.	Oct. 1.	Nov. 5.	Dec. 3.	Dec. 31.
United States Six per cents., 1868,.....	77½	112	113½	115	115½	115½	115	112½	114	103½	113½	114½	114½	114
United States Five per cents., 1874,.....	19½	..	107	107½	106	106½	104	105	106	103½	103½	104½	104½	104½
Ohio Six per cents., 1886,.....	6½	99	101½	102	102½	103½	106½	106	104	104	106	106½	109	106
Kentucky Six per cents.,.....	58	81	84	84½	85	87	88	87½	87½	88½	89	91½	92	92
Indiana Five per cents.,.....	19½	82½	88½	87½	87	88	89	89½	89½	89	89½	94½	95	96
Pennsylvania Five per cents.,.....	52	91	90½	93½	91	92½	93½	95	95½	92½	93	92½	96½	99
Virginia Six per cents.,.....	90	90	95	..	93	96	100	101	98	100	98	101	101	102
Georgia Six per cents.,.....	66½	80	80	83	83	84	85½	85½	86½	82	82½	90	91	92
California Seven's, 1870,.....	91	94	94½	94½	93	95	95	99½	97	95	94	99	98	98
North Carolina Six per cents.,.....	79½	83½	84	84	82	83½	84½	87½	85½	84½	84½	89	90	90½
Missouri Six per cents.,.....	82	90	91	90	90	90	92	96	93	92½	91	94½	94½	94½
Louisiana Six per cents.,.....	82	89	89½	88½	88½	90	90½	94	92½	90½	90½	93½	94½	95
Tennessee Six per cents.,.....	78	84½	84½	81½	81½	83½	84½	85½	85½	84½	85½	89½	89½	89½
Michigan Six per cents.,.....														
RAILROAD SHARES.														
New York Central Railroad shares,.....	77½	81	92½	85½	88½	84½	84½	82½	80½	79½	81½	83½	83½	84½
New York and Erie Railroad shares,.....	19½	24	32½	21½	24½	19½	19½	17½	17½	18	16½	16½	18½	16½
Harlem Railroad shares,.....	6½	8½	14	11½	11½	11½	11½	10	11½	10½	10½	12½	12½	13½
Reading Railroad shares,.....	58	57½	64	46½	48½	44½	44½	44	48½	49	47½	51½	51½	53½
Hudson River Railroad shares,.....	19½	19	35	27	28½	28½	28½	26½	28½	28½	27½	31½	31½	33½
Michigan Central Railroad shares,.....	52	63	74½	63½	64	60	60	52½	59½	58	57½	54½	54½	56½
Michigan Southern Railroad shares,.....	20½	104	31½	22	23½	23½	23½	21½	23	23½	22½	23½	21½	20½
Panama Railroad shares,.....	90½	94½	106½	103½	107½	108½	108½	107	114½	114½	118½	119	120½	123½
Baltimore and Ohio Railroad shares,.....	49	47½	51½	46½	51½	51½	51½	57	60½	59½	54½	57	56½	56

1859.]

Fluctuations in New York Stock Market.

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Illinois Central Railroad shares,.....	90	96	99	94	93	89	75	74	76	79½	84½	74	09
Cleveland and Toledo Railroad shares,.....	43½	43	54	42½	44	35½	32	35½	34½	32	33½	31½	31½
Chicago and Rock Island Railroad shares,.....	72	68½	87	72	78½	74½	73½	75½	75½	63½	65½	63½	55½
Harlem Railroad preferred,.....	14½	18½	25½	19	22	24	23	24	23	23½	27½	29½	29
Cincinnati, Hamilton and Dayton Railroad,.....	45	45	..	50	45	42	45	47	46	50	50	50	55
Cleveland, Columbus and Cincinnati Railroad,.....	96	90½	98	91½	92½	92½	95	91½	91	91½	95½	91½	95½
Little Miami Railroad shares,.....	80	80	80	78	78	80	79	76	80	81	82	84	84
Macon and Western Railroad shares,.....	80	80	90	85	85	90	90	88	80	80	90	90	92
New Jersey Railroad shares,.....	125	121	125	132	134	133	130	130	127	129	130	130	135
New Haven and Hartford Railroad,.....	113	115	117	116	116	119	120	120	130	118½	119	124	124
Milwaukee and Mississippi Railroad shares,.....	31½	32	40	30	30½	26	30½	16	16½	16	16	12	12½
Galena and Chicago Railroad shares,.....	73½	80	94½	99½	89½	87½	85	85½	83½	84½	75½	73½	71½
La Crosse and Mississippi Railroad shares,.....	..	10	10½	8½	..	6½	6½	4	3½	4½	4½	3½	2½
RAILROAD BONDS, &c.													
Erie Railroad 7½, 1859,.....	87	90	..	93	92	92	93	90	89½	84	85	85	86
Erie Bonds, 7½,.....	41½	52	70	56	46	44	32½	32½	30½	32	36½	42	44½
Erie Convertibles, 1871,.....	36½	45	53	50	40	40½	32½	30	30½	30½	36	41½	43
Hudson River Railroad 1st Mortgage,.....	97	98	97½	96	99½	101½	102	100	102	100½	102½	103	104
Panama Railroad bonds,.....	85	85	100	100	105	100	108	107	112	113	113	..	115
Illinois Central 7½,.....	86	95	95½	94	89½	87½	85	85½	91½	92	94½	91	88
New York Central 6½,.....	83	88	90	90½	87½	89	89	89	90	91	90½	90	90½
Harlem Railroad 1st Mortgage Bonds,.....	66	78	83	84	83	82	82	86	85	88½	84½	89	88½
Galena and Chicago R. R. 1st Mortgage Bonds,.....	79½	92	95	96	98	98	100	97½	96½	97	96½	96½	98½
Chicago and Rock Island 1st Mortgage Bonds,.....	96	92	95	96	97	98	97	95	96½	96½	97	99	98
Canton Co. shares,.....	19	..	25½	22½	21½	19½	..	..	20	18½	21	20½	20
Pennsylvania Coal Co. shares,.....	70½	71	75	70	71½	72	74½	79	75½	73½	78	80	80
Cumberland Coal Co. shares,.....	11½	18	21½	18	17½	15	..	..	..	..	19	21	22
Delaware and Hudson Canal Co. shares,.....	• 110½	112	113½	106½	105	108	97½	90½	98½	97½	97½	100	99
La Crosse Land Grant bonds,.....	..	..	35	31	31	32½	34	30	23½	26½	25½	26½	25
Pacific Mail Steamship Co. shares,.....	..	..	..	75½	81½	70½	78	80½	89	105	106½	91½	90½

BANK STATISTICS.

THE BALTIMORE BANKS, 1853—1859.

Liabilities.

BANKS.	Capital.	Circulation.	Deposits.
Merchants' Bank,.....	\$1,500,000	\$259,290	\$763,747
Union Bank,.....	1,258,387	309,185	789,606
Baltimore Bank,.....	1,202,200	230,091	772,517
Farmers and Planters' Bank,.....	800,000	321,442	599,598
Farmers and Merchants' Bank,.....	718,240	224,624	323,343
Commercial and Farmers' Bank,.....	512,560	165,641	535,144
Western Bank,.....	600,000	173,374	279,195
Franklin Bank,.....	600,000	83,468	367,248
Marine Bank,.....	399,340	56,013	291,940
Mechanics' Bank,.....	600,000	362,880	752,530
Citizens' Bank,.....	500,000	374,723	666,088
Chesapeake Bank,.....	364,472	92,735	391,232
Commerce Bank,.....	600,000	194,845	477,783
Howard Bank,.....	167,460	59,930	135,876
Fell's Point Savings Bank,.....	350,012	59,893	319,768
People's Bank,.....	94,170	31,210	54,919
January 4, 1859,.....	10,266,845	2,972,344	7,520,534
January 4, 1858,.....	10,160,345	3,058,643	6,082,007
January 5, 1857,.....	9,777,602	3,395,643	7,765,866
January 7, 1856,.....	9,065,934	3,388,430	6,485,352
January 1, 1855,.....	8,576,583	2,638,708	5,858,628
January 2, 1854,.....	7,592,380	2,956,532	6,962,939
January 3, 1853,.....	7,291,415	3,328,058	6,021,707

Resources.

BANKS.	Investments.	Discounts.	Specie.
Merchants' Bank,.....	\$25,000	\$2,645,049	\$450,723
Union Bank,.....	54,201	2,056,271	247,006
Baltimore Bank,.....	72,978	2,054,925	221,483
Farmers and Planters' Bank,.....	....	1,381,205	333,217
Farmers and Merchants' Bank,.....	28,500	1,104,804	108,876
Commercial and Farmers' Bank,.....	16,198	1,028,639	285,330
Western Bank,.....	15,000	930,644	158,655
Franklin Bank,.....	17,620	916,954	129,237
Marine Bank,.....	23,000	610,856	83,687
Mechanics' Bank,.....	9,000	1,438,546	130,865
Citizens' Bank,.....	....	1,252,433	201,767
Chesapeake Bank,.....	36,105	567,582	70,624
Commerce,.....	50,795	1,008,357	148,669
Howard Bank,.....	13,000	294,615	53,028
Fell's Point Savings Bank,.....	5,000	662,396	54,153
People's Bank,.....	6,928	....	39,847
January 4, 1859,.....	873,325	17,960,275	2,717,199
January 4, 1858,.....	312,036	17,802,695	2,169,517
January 5, 1857,.....	272,985	18,704,951	2,998,876
January 7, 1856,.....	231,929	16,397,869	2,832,769
January 1, 1855,.....	503,645	14,279,363	2,484,946
January 2, 1854,.....	612,372	14,969,213	2,848,708
January 3, 1853,.....	686,069	14,291,221	2,991,910

CONDITION OF THE BANKS IN NORTH CAROLINA, IN 1856 AND 1858.

1857.	Capital.	Surplus.	Due Foreign Banks.	Due N.C. Banks.	Circulation.	Deposits.	Notes Discounted.	Foreign Exchange.	Due by N. C. Bks.	Specie.	Real Estate.	State Bonds, &c.
Bank of Cape Fear,.....	\$1,591,900	\$859,502	\$19,265	\$22,011	\$1,565,094	\$268,777	\$2,406,779	\$827,996	\$142,165	\$491,631	\$71,000	....
Bank of the State,.....	1,500,000	295,510	12,606	15,656	1,038,633	479,263	2,056,751	799,588	97,224	301,085	46,850	89,500
Merchants' Bank, Newbern,...	225,000	43,156	....	5,109	146,256	53,758	176,644	240,804	21,244	28,004	7,563	....
Bank of Fayetteville,.....	380,000	51,000	....	3,781	308,977	47,473	662,393	52,752	26,052	48,401	15,000	....
Comm'l Bank, Wilmington,...	350,000	81,801	12,388	655	157,970	50,014	361,383	175,289	44,910	62,246	9,000	....
Bank of Washington,.....	360,000	35,900	5,636	8,550	321,082	51,372	405,470	256,459	13,453	43,310	17,976	64,175
Farmers' Bank of N. C.,.....	293,026	7,904	....	16,968	443,143	36,394	368,237	260,917	49,701	70,088	....	56,000
Bank of Wadesborough,.....	324,850	58,844	....	3,551	606,056	30,229	731,460	214,654	6,404	40,323	....	20,000
Bank of Charlotte,.....	300,000	38,670	....	2,549	302,329	26,891	317,056	276,183	28,133	43,942	....	....
Bank of Yanceyville,.....	200,000	14,889	989	157	310,691	56,412	346,034	195,184	2,249	37,780	3,385	....
Bank of Clarendon,.....	400,000	5,248	....	1,076	296,171	24,689	495,277	145,400	4,822	44,036	....	....
Bank of Wilmington,.....	502,300	28,301	16,531	2,785	434,169	61,935	323,489	531,826	87,587	60,187	15,451	26,254
Total,.....	\$6,427,076	1,020,225	67,185	82,848	5,885,571	1,187,227	8,650,973	8,977,052	473,944	1,271,033	186,225	205,929

Condensed Statement of Reports for 1858.

1858.	Capital.	Surplus.	Due Foreign Banks.	Due N.C. Banks.	Circulation.	Deposits.	Notes Discounted.	Foreign Exchange.	Due by N. C. Bks.	Specie.	Real Estate.	State Bonds, &c.
Bank of Cape Fear,.....	\$1,591,900	356,320	5,192	920	1,612,641	299,474	12,341,289	957,321	95,268	472,597	71,000	25,000
Bank of the State,.....	1,500,000	525,039	75,945	17,430	1,078,138	545,393	1,998,247	980,031	74,242	282,652	47,058	36,000
Merchants' Bank, Newbern,...	225,000	46,656	....	2,917	93,998	79,391	237,793	126,399	36,101	40,361	7,563	....
Bank of Fayetteville,.....	380,000	55,000	....	4,708	184,138	60,918	602,978	19,307	16,613	41,763	15,000	....
Comm'l Bank, Wilmington,...	350,000	72,663	8,442	4,003	105,033	67,697	329,113	172,984	21,572	73,230	9,000	....
Bank of Washington,.....	325,000	32,633	....	4,856	357,870	31,032	480,133	139,853	10,414	42,817	33,681	69,627
Farmers' Bank of N. C.,.....	297,900	14,267	381	106	170,385	29,543	280,988	117,748	15,293	24,928	7,805	13,444
Bank of Wadesborough,.....	325,000	85,610	8,295	....	518,574	30,186	543,368	334,421	13,536	55,025	5,771	20,000
Bank of Charlotte,.....	300,000	65,978	19	1,839	331,000	43,564	258,279	304,268	87,003	73,026	....	850
Bank of Yanceyville,.....	200,000	19,549	1,084	1,084	332,137	53,193	283,193	241,030	5,522	73,881	3,385	....
Bank of Clarendon,.....	400,000	29,691	....	4,475	310,660	61,675	511,384	245,195	14,424	52,686	....	....
Bank of Wilmington,.....	630,400	54,400	86	641	349,706	62,896	455,287	514,478	12,682	66,613	15,434	29,754
Total,.....	\$6,525,300	1,057,806	99,444	42,945	5,444,300	1,364,964	8,322,247	4,153,035	403,270	1,299,579	215,697	164,675

NORTH CAROLINA BANKS AT THE CLOSE OF 1856 AND 1858.

LIABILITIES.	1856.	1858.
Capital.....	\$6,427,076	\$6,525,200
Undivided Profits.....	1,020,225	1,037,806
Due Foreign Banks.....	67,185	99,444
Due Banks in North Carolina.....	82,848	42,945
Circulation.....	5,885,571	5,444,300
Deposits.....	1,187,227	1,364,964
Miscellaneous.....	95,025	23,244
Total Liabilities.....	\$14,765,157	\$14,558,508
RESOURCES.	1856.	1858.
Loans (local).....	\$8,650,973	\$8,322,247
Bills of Exchange.....	3,977,052	4,153,035
Due from other Banks.....	473,944	403,270
Specie on hand.....	1,271,033	1,299,579
Real Estate.....	186,225	215,697
State Bonds.....	205,930	164,675
Total Resources.....	\$14,765,157	\$14,558,508

NEW YORK CITY BANKS.

We are indebted to Mr. Lyman, manager of the clearing house, for an early summary statement of the liabilities and resources of the banks of this city, according to their last quarterly report, under date 18th ult. The official statement of these reports will probably not reach us from Albany under three or four weeks, as they embrace the returns from about 250 banks in the interior.

Statement of the condition of the banks of the city of New York, on the morning of December 18, 1858, as compared with that of December 26, 1857, and Sept. 1858:

RESOURCES.	Dec. 26, 1857.	Sept. 1858.	Dec. 18, 1858.
Loans and Discounts.....	\$97,783,308	\$122,274,879	\$124,967,547
Stocks.....	8,191,419	11,715,736	41,234,779
Bonds and Mortgages.....	366,558	---	309,963
Real Estate.....	5,424,647	5,941,304	5,926,464
Due from Banks.....	4,033,850	4,045,577	5,899,674
Cash items.....	13,912,456	13,700,628	18,685,241
Specie.....	26,660,183	28,271,641	26,326,938
Overdrafts.....	93,112	49,193	52,791
Total Resources.....	\$156,465,533	\$185,998,958	\$193,670,397
LIABILITIES.			
Capital.....	65,024,112	67,734,755	68,019,585
Net Profits.....	7,265,716	6,770,711	6,862,144
Circulation.....	6,279,802	7,582,698	7,701,336
Due Banks.....	17,152,207	27,161,144	28,469,904
Due Depositors.....	59,377,069	76,006,862	81,603,963
Due all others.....	1,366,520	742,888	1,011,465
Total Liabilities.....	\$156,465,426	\$185,998,958	\$193,670,397

This statement shows an increase in the banking capital, during three months, about \$280,000, and an increase in the aggregate resources or liabilities, about \$7,700,000. According to the currency theory adopted by Messrs. Opdyke, W. G. Hunt, and others, the investments of the banks (including stocks, bonds, and real

estate, as well as loans generally) are in excess about eleven-and-a-half millions, viz :

Capital,.....	\$68,019,000
Add one-half,.....	34,009,500
Add specie,.....	26,326,000
According to theory,.....	\$128,354,500
Actual amount.....	139,931,900
Excess,.....	\$11,577,400

The cash liabilities being (independently of circulation otherwise secured) about \$94,000,000 after deducting the exchanges, the specie amounts to about 80 per cent. It must be borne in mind, however, that the city holds large balances not represented by the banks.

MASSACHUSETTS.

We annex a summary of the loans, specie, deposits and circulation of the country banks of Massachusetts for 1858 :

Date.	Loans.	Specie.	Deposits.	Circulation.
January 30, 1858.....	\$41,321,731	\$1,368,273	\$6,018,306	\$9,960,523
Feb. 27, 1858.....	41,556,977	1,388,547	6,195,738	9,887,107
April 3, 1858.....	41,919,954	1,449,814	6,273,299	10,572,096
May 1, 1858.....	42,552,379	1,515,324	6,904,831	12,126,174
June 5, 1858.....	42,192,966	1,609,785	6,769,551	11,996,000
July 3, 1858.....	43,324,141	1,752,894	6,972,261	12,390,139
August 31, 1858.....	44,251,340	1,890,158	7,470,629	12,868,697
Sept. 4, 1858.....	45,020,410	1,915,950	7,921,124	12,844,266
October 2, 1858.....	45,874,051	2,000,404	8,118,132	13,576,518
October 30, 1858.....	45,765,997	1,977,225	8,638,568	13,980,878
Dec. 4, 1858.....	45,817,604	1,872,033	8,382,493	14,043,416
January 1, 1859.....	46,081,482	1,844,543	8,266,863	13,804,461

On and after this date the two banks at South Boston are included in the monthly statement of country banks; they were previously returned with the banks of Boston.

MISCELLANEOUS ITEMS.

PHILADELPHIA CLEARING-HOUSE.

From, the Philadelphia Ledger.

Our readers are aware that the Philadelphia banks have a Clearing-House, but like ourselves they are probably unaware of the amount of the business done and the nice precision with which it is carried through. To satisfy ourselves we, a day or two ago, paid a visit to the rooms of the association, and inspected the books of the Superintendent, and the system to which the whole business has been subjected. The object of the Clearing-House is the effecting at one place the daily exchanges between the several city banks and the payment at the same place of the balances resulting from such exchanges. The operation is simple but interesting, and very complete in all its details. The rooms are in the Farmers and Mechanics' Bank building, and are arranged for the accommodation of the clerks who represent the various banks, and for the meetings of the officers of the banks composing the Clearing-House Association. In the Clearing-room are counters with drawers, etc., divided off with brackets affording convenience for two clerks from each of the nineteen city banks. Before half-past eight o'clock every morning the clerks assemble, and the "*settling clerks*" take their places behind the counter with their sheets prepared, showing the different amounts of money their respective banks have received the day previous, and which they have brought sealed up in packages for the banks which issued or

redeem it. The "package clerks" stand opposite the settling clerks, outside the counter with carpet bags containing the money, having also a sheet showing the amount of money they have for each bank, with a space, for the signature of the settling clerks. At the signal from the manager (8½ o'clock precisely) the package clerks move one space to the left, deliver a package and take a receipt, and continue on in a similar manner until all their packages are delivered. As the settling clerks receive these packages they keep a record of the several amounts, and also of the total amount each bank has brought to the Clearing-House. This is all accomplished in from five to six minutes, and the carpet bags are again filled with the "amount received," and the package clerks start to their respective banks with the money. The settling clerks remain, and having the "amount brought," and ascertained the "amount received," they strike the balance and see how much they are debtor or creditor. This record being made on the package slips, they are passed round, and each clerk takes down the amount received by each bank and its balance. The balances and totals must agree, and in fifteen to twenty minutes from the time the signal was given, the settlement is made and the settling clerks leave. At from 11 to 12 o'clock the debtor banks send to the Clearing-House and pay their balances in coin, and at 12½ o'clock the creditor banks send and receive their balances. A regular record of all these transactions is kept at the Clearing-House, with a ledger account with each bank showing its daily working, and also a weekly and monthly record of the several clearings and balances. There is a vast array of figures, and the large amounts certainly show a much greater business done by the banks than might be indicated by the business among merchants and others. The clearings daily are from two millions to four millions of dollars.

Business of the Philadelphia Clearing-House from March 22, 1858, when it commenced operations, to December 31, 1858.

From	Clearings.	Balances paid.
March 22 to 31,.....	\$23,466,432	\$1,554,155
April,	70,250,273	4,632,115
May,.....	71,094,719	4,330,135
June,.....	64,605,439	4,105,612
July,.....	64,857,890	4,753,624
August,.....	60,605,555	4,024,529
September,.....	67,746,147	4,542,265
October,	81,888,207	5,300,956
November,	80,926,720	5,646,110
December,	78,265,917	5,833,627
	<u>\$663,707,298</u>	<u>\$44,773,128</u>

The average clearings are over two and a half millions daily.

Boston.—The public debt of Boston in 1822, when the town became a city, was only \$71,185. In twenty-five years, this was increased to something more than \$1,000,000, an average increase of about \$36,000 per annum.

The following is an official statement of the amount of the ordinary city debt at the end of each year, for ten years past, as follows:

Dec. 31, 1848.....	\$1,854,332	Dec. 31, 1853.....	\$1,886,459
" 1849.....	1,623,823	" 1854.....	2,367,594
" 1850.....	1,756,000	" 1855.....	2,337,188
" 1851.....	1,714,298	" 1856.....	2,631,688
" 1852.....	1,746,510	" 1857.....	3,421,038
Dec. 10, 1858.....	\$3,954,461		

It must be remembered that the chief part of the public debts of Boston has been contracted on the faith of a formal opinion of the city solicitor, which Daniel Webster approved in writing as correct, to the effect that the property of any and every citizen is liable to be taken in payment of the debt. At the rate of \$400,000 a year, we shall soon run up a municipal debt that will be intolerable; and if the Government neglects to provide means to pay it, any private citizen upon whom the public creditor chooses to call, may be stripped of his property. Let us be wise in time, and elect a Government firm enough and self-reliant enough to adopt the pay-as-you-go principle, which will save all danger of future trouble.—*Boston Daily Advertiser, Dec. 11th.*

BANK ITEMS.

NEW YORK.—The Banking interest has become one of the most important ones in this country, and is likely to exercise a still greater influence upon the commercial movements of the country hereafter. New York city has a banking capital of over sixty-seven millions of dollars, and if it does not control the banking movements of the country, it certainly gives a decided tone to such movements. We have before us the *Merchants and Bankers' Register*, for the year 1859, in which will be found a reliable list of the Banks of each city, town, and State in the Union, with an alphabetical List of Cashiers, fourteen hundred in number—also a list of private Bankers in each—as well as the names of three thousand Bankers in Europe, South America, West Indies, Australia, China, Egypt, India, etc. The list shows also the London correspondent or correspondents of each of the foreign bankers. Such a compilation involves vast labor, and when to all this information is superadded the General or Free Banking Laws of the several States that have adopted the system, it will appear that this annual volume is a necessary appendage to every Bank and Merchant's counting-room.

Compared with New York, other cities have the following banking capital :

Cities.	No. of Banks.	Bank Capital.	Circulation.
Boston.....	39	\$33,805,000	\$7,000,000
New Orleans.....	12	16,557,000	10,000,000
Philadelphia.....	20	11,818,000	2,600,000
Pittsburgh, Pa.	7	4,200,000	2,000,000
Baltimore.....	17	10,300,000	3,000,000
St. Louis.....	6	3,900,000	3,000,000
Charleston, S. C.....	9	12,000,000	4,500,000
Savannah.....	8	4,400,000	*3,000,000
Providence, R. I.....	38	14,694,000	2,000,000
Louisville, Ky.....	8	4,300,000	*4,000,000
Richmond, Va.....	4	2,900,000	*3,000,000
Hartford, Conn.....	12	7,200,000	*3,000,000
Newark, N. J.....	5	2,100,000	*1,000,000
Nashville, Tenn.....	7	5,100,000	*4,000,000
Total 18 cities.....	185	\$133,274,000	\$52,100,000
New York.....	54	68,019,000	8,000,000

Suspended Banks.—Generally the circulation of Suspended Banks in this State has been fully paid at Par. It would appear by the annexed statement that there are some few exceptions. The following statement gives the names of Insolvent Banks whose securities have been disposed of for the redemption of their circulating notes, with the rates of redemption, places where redeemed, and when time for redemption will expire :

Agricultural Bank of Herkimer, redeemed at New York State Bank, Albany, at par, until Dec. 6, 1864.

Chemung County Bank, redeemed at National Bank of Albany, at par, until Sept. 23, 1864.

Dairymen's Bank, redeemed at New York State Bank, Albany, at par, until Nov. 6, 1864.

Eighth Avenue Bank, redeemed at Bank Department, Albany, at 94 cents, until May 21, 1861.

Farmers' Bank, Onondaga, redeemed at Bank Department, Albany, at 85 cents, until November 12, 1859.

Hamilton Exchange Bank, redeemed at Bank Department, Albany, at 84 cents, until June 22, 1864.

Island City Bank, redeemed by Manhattan Company, New York, at par, until April 22, 1864.

* Estimated.

Merchants and Mechanics' Bank, Oswego, redeemed at Bank Department, Albany, at 77 cents, until Sept. 28, 1860.

Ontario County Bank, redeemed at Union Bank of Albany, at par, until Aug. 11, 1864.

Pine Plains Bank, redeemed at National Bank of Albany, at par, until October 9, 1864.

Pratt Bank of Buffalo, redeemed at Bank Department, Albany, at 94 cents, until Aug. 11, 1864.

State Bank at Sacketts Harbor, redeemed at Union Bank of Albany, at par, until Nov. 11, 1862.

NEW HAMPSHIRE.—The Granite State Bank at Exeter, N. H., has obtained a modification of its charter: the present capital being \$100,000, free of any suspended paper. The stock of the Bank is owned almost entirely at Exeter.

MASSACHUSETTS.—According to the Report of the Bank Commissioners of Massachusetts, the Bank Capital of the State on the 30th of September last was \$61,819,050, which is an increase of \$1,602,925 over the year 1857. Of this amount the thirty-eight Boston Banks hold \$33,472,500; one hundred and thirty-six other Banks, \$28,346,550. Of the twenty-six Banks to which the Legislature of 1857 granted authority to increase their Capital Stock, all but three availed themselves of the privilege, though not, in every instance, to the full extent permitted. The Malden, Oxford, and Wrentham Banks were the exceptions. No new Banks were incorporated, or additional Capital granted, by the Legislature of 1858. The Commissioners remark upon the very satisfactory condition presented by the Banks of Massachusetts after the very severe Commercial crisis through which the community has just passed. They say: There was reason to apprehend large losses on the overdue or suspended paper which they held—which, in fact, was comparatively small—but the Commissioners found it, with few exceptions, so protected that very little is even set down in the directors' estimates, as doubtful. The amount of paper in the Banks issued by large manufacturing corporations which have suspended business, is far less than there was reason to fear. This paper is confined to a few institutions, and is not an amount seriously to affect their soundness or cripple their business.

PENNSYLVANIA.—*Small notes.* "There is all the time a manifest disposition among bank note dealers to create the impression that the law of Pennsylvania that declares it illegal to offer to pass a bank bill of less denomination than five dollars is disregarded, and that such bills pass freely from hand to hand, as though they were not proscribed by law. This is a great mistake. We have just been informed by a person connected with a large retail firm in this city, that not five dollars in five hundred received are offered in small bills in payments made, and our own observation confirms the truth of the declaration. This law, like all others on the statute book, is occasionally violated, but when it is, it is almost invariably by persons from other States, who are ignorant of any offence, and who immediately withdraw the objectionable currency when informed of the penalty that attaches to every attempt to pass it. If the adjoining States would do in this respect as Pennsylvania has done, we should soon find small notes banished, and in their place sound, clean and reliable coin. The Bank Note Reporters and Detectors would, no doubt, lose some of their interest and importance from this salutary change. For ourselves we have ceased to describe fraudulent small notes, because the circulation, both good and bad, being in opposition to the laws of this State, no law-abiding citizen need be in danger of loss from their circulation elsewhere. The tax that this small, depreciated trash, called currency, imposes on the public, in the shape of failures, frauds, and the expense of papers necessary to the detection of the various frauds, is immensely greater than any one who has not estimated it would believe—probably in such a State as New York, with its flood of small bills, nearly or quite equal to a moiety of the State tax. As there is no necessity for this burthen—specie being abundant—the press of every character should wage unremitting war against all small, paper bills, so long as a single State tolerates the nuisance. This would be better employment than encouragement of the idea that the law of inhibition is and may be violated with impunity."—*Phil. Ledger.*

NEW JERSEY.—The Committee on Corporations, in the New Jersey Assembly, reported the act incorporating the Newark Tanning Company; also, the act incorporating the Life Insurance Company of Newark. Notice has been given of the introduc-

tion of the bill incorporating the Leather Manufacturers' Bank, and in the Senate the Charter of the Essex County Bank has been reported from the Committee on Banks.

NORTH CAROLINA.—The condition of the North Carolina Banks on the 12th day of January, 1858, with the same date in 1857, was as follows:—

The aggregate capital has increased \$98,124. The aggregate surplus has increased \$37,581. Due to banks out of the increased \$32,259. Due to banks in the State, decreased \$39,903. The circulation has decreased \$441,271. The deposits have increased \$177,737. The notes and domestic bills discounted have decreased \$328,726. Foreign Exchange (including balances due by banks out of the State, and bills of exchange running to maturity) has increased \$175,983. Due by N. C. banks to each other, decreased \$70,676. Specie has increased \$28,546. Real estate increased \$29,472. State and U. S. bonds, &c., have decreased \$41,254. Of the discounts, the amount due by directors has increased \$148,219. Due by stockholders, has increased \$243,443. These two last items are, however, increased by reports from our banks which made no return on these points two years ago.

MICHIGAN.—The first bank established in Michigan, under the General Banking Law, passed by the legislature in 1857, and adopted by the people last November by a large majority, went into operation on the 10th inst. The corporators are ex-Governor Myron H. Clark, of Canandaigua; Lorenzo E. Clark, of Albany; Theodore P. Hall, of Binghamton; and Frederick F. and Samuel C. Thompson, of New York, all of the State of New York. Each of these gentlemen subscribed 100 shares of stock. Lorenzo E. Clark has been elected President, and Theodore P. Hall Cashier. It is called "the State Bank of Michigan."

The leading provisions of the Banking Law are: I. Any number of persons may establish a bank of circulation, deposit, and loans; the capital to be not less than \$50,000. II. Circulating bills may be issued to such bank or banker, by the Treasurer of the State, on the deposit of United States stock, Michigan State stock, or of the State of New York, either of the New England States, Pennsylvania, Indiana, Illinois, Ohio, or Kentucky, producing (or equivalent to) six per cent. interest. III. In case of refusal to pay specie on demand for such bills, the Treasurer is authorized to sell the collateral securities within twenty days, by public sale at New York, or by private sale. IV. All dividends, by banks established under the act, to be declared in January and July. V. Each bank is liable to pay interest at the rate of 14 per cent. on all notes and deposits not paid on demand. VI. Fraudulently withholding deposits, or not paying on demand, will be punished as a misdemeanor, and the banker liable to three years' imprisonment. VII. Stockholders shall not in the aggregate be indebted to an amount exceeding two-fifths of the capital. VIII. Each bank shall pay one per cent. upon its capital into the State Treasury annually. IX. Annual reports to be published showing the condition of the banks.

OHIO.—The proposition agreed upon between the attorneys for Spining & Brown, and for Bell & Grant, to take the two cases out of Court, so far as they affect the assets now in the hands of Sheriff Mathers, was brought before the Superior Court, at General Term. Yesterday, Judge Hoadley presented a decree proposing as Trustees James P. Kilbreath and Charles Remmehn, Esqrs., and dismissing the attachment for contempt against N. C. McLean, Esq., and Mr. Kilbreath. It also provides for the payment to the Receivers heretofore appointed in the two Courts, the costs, &c., and leaves undetermined any question of mismanagement or personal responsibility of the former managers of the affairs of the Trust Company.

A second decree was submitted by Judge Wright, embracing substantially the same provisions, except that a blank was left to fill in the names of such Trustees as the Court might deem proper, and providing for compensation to the Assignees. The last provision was objected to, and finally left in a position to be referred to the Trustees who may be appointed hereafter. The last decree was then adopted, and the Judge announced that the blanks would be filled in the course of two or three days, and the order of the Court announced. So the vexed question is settled at last, so far as the assets in hand are concerned, and the creditors of the Trust Company may hope for a speedy dividend, however small, upon the sums which have so long been locked up in the strong box of the Trust Company.—*Commercial Gazette*, January 18.

American Numismatic Society.—At a meeting of this society, held on Thursday

evening, Nov. 4th, the following Council of Management was elected for 1858-'59:—President, Mr. Robert J. Dodge; Vice-President, Mr. Henry Bogert; Recording Secretary, Mr. James Oliver; Corresponding Secretary, Mr. F. H. Norton, (Astor Library;) Treasurer, Mr. Wm. S. Frederick Mayers; Curator, Mr. Aug. B. Sage; Librarian, Mr. James D. Fosket. The new constitution recently adopted is henceforward in force, and will shortly be published. The meetings take place fortnightly, and for the present at 811 Broadway.

Bank Dividends.—In addition to the dividend payable by our city banks during the present month, amounting to about \$1,500,000, the following dividends have been declared by Western banks, in all of which there are few or more stockholders in the cities of New York and Philadelphia:—

	Capital.	Rate of Div.	Where Payable.
Canal & Banking Co., N. O.,.....	\$3,164,000	5	M. Morgan & Sons.
B. State of Missouri,.....	2,100,000	5	B. Commerce, N. Y.
Bank of Kentucky,.....	3,700,000	5	B. of America, N. Y.
Farmers' Bank, Ky.,.....	2,150,000	5	B. of America, N. Y.
Northern Bank, Ky.,.....	2,250,000	5	Bank of America.
Planters' Bank, Tenn.,.....	1,500,000	5	Phenix Bank, N. Y.

The Bank State of Mo., in addition to this dividend of 5 per cent., appropriates 2 per cent. to a Sinking Fund.

THE UNITED STATES FIVE PER CENT. LOANS.

The Ten Million Loan at five per cent., negotiated on the 9th of August last, realized from 104.12½ to 107.03, viz.:

\$228,000 at 104.12½.
 4,896,000 at 104.14 to 105.60.
 4,850,000 at 105.00 to 106.00.
 26,000 at 106.00 to 107.03.

\$10,000,000

Compared with the preceding, the following is the result for the new loan of the same amount for which the bids were opened on 24th January, 1859.

Bids were received from forty-four different parties, and the rates of premium varied from three-quarters of one per cent. to five per cent. Those who offered more than two-and-a-half per cent. premium get about six millions. The remaining four millions will be divided between the bidders who offered from 2.05 per cent. to two-and-a-half per cent. premium.

Notice to Subscribers.—Copies are wanted of the "Bankers' Magazine" for the months named below, for which subscription price will be paid. These numbers are wanted for subscribers who wish to complete their sets for binding.

Volume I. August, 1846. October, 1846. December, 1846. January, 1847.
 " II. February, 1848. April, 1848.
 " III. October, 1848. June, 1849.
 " IV. September, 1849. October, 1849. February, 1850. March, 1850.
 " V. July, 1850.
 " VI. August, 1851. January, 1852. February, 1852.
 " VII. September, 1852. June, 1850.
 " VIII. July, 1853.
 " X. January, 1856. March, 1856. May, 1856. June, 1856.

Those subscribers who have one or more of the above-mentioned Nos. and do not wish to retain them for binding, are requested to transmit such Nos. by mail addressed, "Bankers' Magazine, New York."

Notes on the Money Market.

NEW YORK, JANUARY 26, 1859.

Exchange on London, at Sixty days' sight, 9½ a 9¾ premium.

The supply of capital is more abundant than at any former period in this city, and the rates continue low upon short or call loans, but there is more scrutiny exercised in the selection of paper and as to the channels of investment. Capitalists are timed as to the future, the foreign relations of the United States being in a condition that inspires little confidence as to the discretion or wisdom of the Administration at Washington. The finances of the country at all times demand the insight and supervision of the ablest men that the States produce, and too much caution cannot be observed in creating a debt, in adopting "Ways and Means" to meet present and prospective expenditure, and to provide an ample sinking fund for the ultimate redemption of the public debt. It seems to us that the government treasury should be possessed of an ample contingent fund at all times to meet any such exigencies as occurred in 1837 and 1857. All governments are liable at intervals to extraordinary demands upon their treasury resources, and the balance on hand should at all times be ample so as to enable the government to *dictate*, rather than *invite*, terms for loans.

The present exigencies of the United States Treasury, which, by proper foresight, might have been prevented, serve to unsettle the money market in our city. We had, by the severe revulsion of 1857, got rid of the great borrowers on the market, viz., new and old railroad companies, whose extraordinary demands operated as an incubus upon monetary affairs; but now we find the public treasury likely to require for the coming year from twenty to thirty millions of dollars in the shape of new loans, to meet the appropriations of the present Congress.

The ample supply of capital to meet all demands at present in view, will serve to keep the rates on loans at or near the current quotations. Loans on call during the month have been readily obtained at 3½ to 4 per cent. on first class collaterals, such as State securities, bank shares and strictly prime paper. Good business paper is readily taken by the banks at 6 a 7 per cent., with occasional transactions at 5. Full confidence is felt in the strength of our commercial houses generally, and in the favorable results of the present year's business throughout the Union. We quote as current for the present week:

Loans on call, with first class collaterals,.....	3½ a 4½ per cent.
Do with other good securities as collaterals,.....	4½ a 5½ "
Prime endorsed bills, 60 a 90 days,.....	4 a 4½ "
Do do 4 to 8 months,.....	4½ a 5 "
First class single signatures, well known,.....	5½ a 6 "
Other good commercial paper, 3 to 6 months,.....	6 a 7 "
Names not well known,.....	8 a 10 "

The rates for sterling bills during the month of January have varied from 109½ a 109¾ for bankers' signatures, and 108½ a 109½ for commercial. We annex the current rates for bankers' bills at this date, compared with the last week of October, November and December:

	Oct. 25.	Nov. 25.	Dec. 28.	Jan. 26.
London, 60 days, Bankers' Bills,.....	109½ a 110	109½ a 109¾	109½ a 109¾	109½ a 109¾
Do do Mercantile Bills,	109 a 109½	108½ a 109	108½ a 109½	108½ a 109½
Do do with Bills of Lading,	108½ a 109	107½ a 108½	108 a 108½	107½ a 108½
Paris, 60 days' sight,.....	512½ a 511½	516½ a 515	515 a 513½	515 a 513½
Antwerp, "	512½ a 511½	515 a 513½	515 a 513½	515 a 513½
Hamburg, "	36½ a 36½	36½ a 36½	36½ a 36½	36½ a 36½
Bremen, "	79½ a 79½	79 a 79½	79 a 79½	79½ a 79½
Amsterdam, "	41½ a 41½	41½ a 41½	41½ a 41½	41½ a 41½

The cotton crop of the present year is estimated to produce 3,500,000 to 3,700,000 bales; with prices quite equal to those realized in 1858, thus creating an ample basis of foreign exchange.

The shipment of coin for the present month is about \$2,000,000 from this port alone, and for the past year \$26,000,000. We annex a summary of the export for each month of 1858, from New York and Boston, with receipts from California, with the total importations and exports of this port:

	Receipts of Gold from California.	Export of Grain from Boston.	Export of Grain from New York.	Export of Produce, &c., from New York.	Imports of Goods at New York.
January,.....	\$3,173,219	1,215,400	4,745,611	4,689,739	7,796,147
February,.....	2,988,936	464,000	3,746,920	4,173,577	8,968,984
March,.....	2,683,083	19,860	836,194	5,180,860	11,452,499
April,.....	2,839,477	19,000	646,283	6,099,926	10,644,168
May,.....	3,191,343	400,000	1,790,775	4,606,578	11,130,163
June,.....	3,245,677	....	594,174	6,592,698	10,014,310
July,.....	2,565,531	1,000	2,801,496	5,119,844	18,468,852
August,.....	2,966,188	....	2,201,802	4,987,384	19,556,494
September,.....	3,267,563	110,000	3,239,591	3,896,245	15,335,062
October,.....	2,794,985	185,000	3,028,405	5,753,611	13,453,616
November,.....	3,489,209	7,000	471,970	3,865,635	10,501,160
December,.....	3,137,582	226,000	1,898,208	4,372,115	13,281,492
Total, year 1858,	\$36,342,793	2,647,260	26,001,431	59,638,212	150,602,947

The Government Sixes are quoted at 3 a 3½ per cent. lower than in December last, the semi-annual interest having been paid. It is cheaper now than the Five per cent. stock at present quotations. We note further inquiry for State Bonds: since the beginning of the year, Ohio Sixes at an advance of 3 per cent.; Kentucky, ½; Georgia, 2; Louisiana, 2, compared with last month. Indiana and Pennsylvania Fives are well sustained. For Maryland Sixes 104 is offered, 105½ asked. The State Treasurer of Maryland reports the receipts for the last fiscal year \$1,019,000, and cash on hand, \$718,000. The debt is becoming absorbed rapidly by the operation of the sinking fund established in 1835-6. Michigan Six per cents. are quoted at 106 a 107; Minnesota Eight per cents. 101 a 102. There is no quotation at present for Minnesota railroad bonds. We annex the rates of leading State loans for the past eight weeks:

	Dec. 3d.	10th.	17th.	24th.	31st.	Jan. 7th.	14th.	21st.
U. S. 6 per cents. 1867-'8.....	114½	114	114	114	114	..	111	110½
U. S. 5 per cents. 1874.....	104½	104½	104½	104½	105½	104½	104½	104½
Ohio 6 per cents. 1886.....	109	108	108	106	106	105½	105½	107½
Kentucky 6 per cents.....	106	104	105	104	104	..	103	102½
Indiana 5 per cents.....	92	92	92	91	91	90½	90½	92½
Pennsylvania 5 per cents.....	95	95½	95½	96	96	92½	93½	93½
Virginia 6 per cents.....	96½	97½	98	93	99	96½	96½	97
Georgia 6 per cents.....	101	100	102	102	102	99	99	101
California 7 per cents. 1877,....	91	81	91½	91½	92	85	86½	86
North Carolina 6 per cents.....	98	97½	98	98	100½	97½	97½	98
Missouri 6 per cents.....	90	89½	89½	89½	90½	86½	86½	86½
Louisiana 6 per cents.....	94½	95	94½	..	95	93	93	95
Tennessee 6 per cents.....	94½	94½	94½	94½	95	92½	91½	91½

A payment of \$101,500 of coupons past due on Mississippi State bonds issued to the Planters' Bank was made early in January.

For New York State loans the market values are well sustained, viz., Six per cents. of 1872-1875, 114 a 115½; Five per cents. of 1874, 103 a 104; Illinois Internal Improvement Sixes, 104 a 106; Iowa Seven per cents., 104 a 110.

The diminished revenues of the leading railroad companies continue to depress the market values of their stocks. The prospect of business for the year 1859 is more flattering than in 1858, but capitalists are influenced more by the past and present than by promises of the future. The decline in shares this month is general. Since the close of December we note a fall in New York and Erie shares, 2½; Reading, 3; Panama, 7 (less dividend 5 per cent.); Illinois Central, 2; New Jersey Railroad shares are held at 133 a 135; New Haven and Hartford, 121 a 123; Cleveland, Columbus and Cincinnati, 99 a 100; Little Miami, 82 a 85; Cincinnati, Hamilton and Dayton, 51 a 54; Macon and Western, 91 a 94; New York and New Haven, 45 a 60; Pennsylvania Central, 86

a 86½; Rome and Watertown, 61 a 64. We annex a comparison of market values of railroad shares for the past eight weeks in this market:

	Dec. 3d.	10th.	17th.	24th.	31st.	Jan. 7th.	14th.	21st.
N. Y. Central R. R. shares,.....	83½	84½	83½	83½	84½	84½	86	81½
N. Y. and Erie R. R. shares,...	18½	17½	17½	17	16½	17½	15	14
Harlem R. R. shares,.....	12½	12½	11½	12	13½	13½	13½	13½
Reading R. R. Shares,.....	51½	52½	51½	51½	52½	54½	52½	49½
Hudson River R. R. shares,....	..	34½	33½	33½	33½	34½	35½	34½
Michigan Central R. R. shares,.	52½	52½	49	52½	51½	53½	52½	52½
Michigan Southern R. R. shares,	21½	21½	20½	20½	20½	20½	21	20½
Panama R. R. shares,.....	120½	110½	119	121½	123½	117½	117	116
Baltimore & Ohio R. R. shares,	56½	56½	56	56	56½	56½	56	56½
Illinois Central R. R. shares,....	74	76½	69	66½	70½	70½	70	68½
Cleveland and Toledo R. R....	31½	32½	31½	31½	31½	32½	32½	31½
Chicago and Rock Island R. R.	62½	62½	60½	59½	59½	59½	60½	60½
Milwaukee and Miss. R. R.....	12	14	12	12½	12½	13	13	12½
Galena & Chicago R. R. shares,	73½	73½	71½	71½	71½	71½	71½	71½
La Crosse R. R.	3½	3½	3	3	2½	2½	1½	1

Railroad bonds are also more depressed since the close of last month. We note a decline in Erie Sevens, of 1859, 2 per cent: Sinking Fund Bonds, 1½; Convertibles, of 1871, ½. There have been sales this week of Hudson First Mortgages, at 104½ a 104½; Goshen Branch Michigan Southern, 76½; Galena and Chicago Second Mortgages, 92; Harlem Third Mortgages, 74½; Michigan Central Eight per cents., 96½; Baltimore and Ohio Railroad Six per cents., 83 a 84; Pennsylvania Central Sixes, 104 a 104½; Chicago and Rock Island Seven per cents, 92 a 94; New York and Harlem First Mortgages, 94 a 94½. We annex the closing prices of miscellaneous securities for the past eight weeks:

	Dec. 3d.	10th.	17th.	24th.	31st.	Jan. 7th.	14th.	21st.
Erie Railroad 7's, 1859.....	85	87½	86	86	86	88	88	86
Erie bonds, '75.....	42	47	45	44½	44½	45	46	43½
Erie Convertibles, 1871.....	41½	43	46	42	45	45½	40	39½
Hudson River R. R., 1st mort...	103	103	103	103	103	104½	104½	104½
Panama Railroad bonds.....	..	115	115	115	115	120	120	115
Illinois Central 7's.....	91	91½	89½	87	87½	89	89½	89
New York Central 6's.....	90	91	91	90½	90½	90½	90½	91½
Canton Co. shares.....	20½	20½	19½	..	..	19½	20½	20
Pennsylvania Coal Co.,.....	80	81	80	80½	80	82½	83½	85½
Cumberland Coal Co.....	21	21½	20	..	..	..	21½	21½
Del. and Hudson Canal Co.....	100	96½	96	96½	98½	99	99½	99½
La Crosse Land Grant bonds...	26½	27½	25	25	24½	24½	23	23
Pacific Mail Steamship Co.....	*91½	90½	90	90½	90½	92½	91½	87

The following table represents the loans, specie, circulation and deposits of the banks of five leading cities:

Cities.	Loans.	Specie.	Circulation.	Deposits.
New York,.....	\$129,540,000	29,472,000	7,457,000	95,066,000
Philadelphia,	26,365,000	6,050,000	2,830,000	17,323,000
Boston,	60,106,000	7,931,000	6,793,000	21,127,000
Baltimore,.....	17,960,000	2,717,000	2,972,000	7,520,000
New Orleans,.....	20,453,000	16,294,000	10,383,000	24,297,000
Total,.....	\$254,424,000	\$62,464,000	\$30,435,000	\$165,333,000

It will be seen that the New York city loans are more than half the whole, and the deposits about sixty per cent. of the aggregate.

* Ex dividend.

City loans are exceedingly low: the result of excessive issues and of a disregard of their credit. The bonds of western cities, especially, are at a low point. We annex the current prices of those offered in this market, the lowest quotation being the price offered; the other is the price asked by the holder:

New York, 5 per cent., 1860,.....	97½ a 98	Memphis, guar. St. Tenn.,.....	78½ a 80
" 5 " 1870-75...	92 a 94½	Milwaukee Municipal, 7 per cent.,..	.. a 75
" 6 " 1887-88...	103 a 103½	" R. R. issues, 1873-77...	45 a 70
" 5 " 1890-98...	91 a 93	New Orleans 6 per cent. coup.....	72 a 77½
Albany, 6 per cent., 1871,.....	98 a 100	" 6 per cent. municip.,..	85 a 90
Alleghany, 6 per cent.,.....	55 a 70	Philadelphia, 6 per cent., 1876-90,	99½ a 100
Baltimore, 6 per cent., 1890,.....	97 a 100	Pittsburgh, 6 per cent. coupon,....	50½ a 53
Boston, 5 per cent.,.....	100 a 101	Quincy, 8 per cent., coupon,.....	62½ a 67½
Brooklyn, 6 per cent.,.....	100½ a 101	Rochester, 6 per cent. coupon,.....	.. a 97½
Cleveland, 7 per cent., 1879,.....	100 a 104	Racine, 7 per cent. coup. 1873,....	.. a 80
Cincinnati, 6 per cent. coupon,....	87½ a 95	St. Louis, 6 per cent. R. R.,.....	85 a 87
Chicago, 6 per cent. coupon,.....	85 a 86	" 6 per cent. municipal,....	87½ a 88
" 7 per cent. coupon,.....	97½ a 99½	Sacramento, 10 per cent. coupon,...	37 a 45
Detroit, 7 per cent. coupon long,...	100 a 102	S. Francisco, 7 cou., 1865,	60 a ..
Dubuque, 8 per cent. coupon,.....	.. a 100	San Francisco, 10 per cent., 1871..	89 a 91
Jersey City, 6 per cent.,.....	99½ a 101	" 10 per cent.,.....	88 a 90
Louisville, 6 per cent. R. R.,.....	72 a 73	" 6 per cent. 1875, ..	56 a ..
" 6 per cent. W. W.,.....	81½ a 82½	Wheeling, 6 per cent. R. R.,.....	.. a 50
Memphis, 6 per cent. coup. 1852,...	65 a ..	" 6 per cent. municip.,....	80 a 81½

The annexed table shows the changes for the present month in the banking movements of the city, compared with the previous dates:

1858.	Loans.	Circulation.	Deposits.	Sub-Treasury.	Bank Specie.	Total Specie.
Jan. 2,	\$98,549,000	\$6,490,000	\$78,635,000	\$3,259,000	\$28,561,000	\$31,820,000
Feb. 6,	103,602,900	6,873,000	86,000,000	3,168,700	30,652,900	33,821,600
Mar. 6,	105,021,000	6,854,000	90,382,000	2,996,700	32,739,700	35,736,400
April 3,	110,588,000	7,233,000	93,589,000	5,548,000	31,530,000	37,078,000
April 24,	111,003,000	7,140,000	95,340,000	3,695,000	34,113,800	37,808,600
May 1,	111,863,000	7,431,000	98,438,000	3,145,400	35,064,200	38,209,600
June 5,	116,424,000	7,548,000	101,489,000	5,263,300	32,790,300	38,053,600
July 3,	119,812,000	7,458,000	106,803,000	5,820,000	33,830,200	39,650,200
Aug. 7,	120,892,000	7,784,000	107,454,000	5,553,000	35,145,000	40,698,000
Sept. 4,	125,885,000	7,748,000	103,347,000	13,077,000	28,848,000	41,125,000
Oct. 2,	123,659,000	7,875,000	104,901,000	11,100,600	28,533,000	39,633,700
Nov. 6,	126,809,000	8,186,000	109,217,400	8,256,000	26,337,300	34,583,300
Dec. 4,	126,338,000	7,837,000	89,541,000	6,345,500	27,407,700	33,753,300
Dec. 31,	127,584,319	7,854,090	90,634,193	5,108,300	27,129,700	32,238,300
1859.						
Jan. 8,	128,532,642	7,930,292	92,826,623	4,202,200	28,399,800	33,602,000
Jan. 15,	129,349,245	7,586,163	95,456,323	4,313,000	29,380,700	33,693,700
Jan. 22,	129,540,050	7,457,245	95,066,400	4,851,000	29,472,000	34,323,000

The increased loans of the banks of this city, compared with the early part of last year, are mainly represented by United States five per cent. stock and Treasury notes. The deposits shown in the above table were *gross* deposits up to November last, and afterwards the amount stated is the *net* deposits, or deducting the exchanges.

We have received as yet no official list of the award of the five per cent. loan of ten millions of dollars. It appears that two Philadelphia bids for large sums were accidentally omitted at the time of the opening, the bids having been sent to the wrong office at Washington. The result is that these bids being accepted will alter the award, and restrict the acceptance of bids to those above 2.05 per cent. premium. The five per cent. loan of 1858 is still in demand at 103 a 108½, and will go up to 4 per cent. premium in case the Treasury receipts improve, and there shall be no interruption to the existing foreign relations of the country.

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No. 9.

NEW VIEWS OF THE CURRENCY QUESTION.

No. V.—DEBT CURRENCY. BY CHARLES H. CARROLL, OF BOSTON.

I WISH to make a distinct statement in your pages of the currency principle of the Bank of England, by reference to its early figures, and show, as briefly as possible, in what respect it differs from any system of banking or currency before introduced, at least so far as my investigations have enabled me to discover the facts.

I wish also to say, what I have often said elsewhere, that I view the present banking system in this country, which is that of the Bank of England, as I view a bad or unprofitable fashion that tyrannizes over my family and my purse, as a thing to be opposed or reformed by all lawful and practicable efforts. I find an institution of hoops and crinoline surrounding my wife and daughters against their better judgment. It is a tyranny of taste introduced, I suppose, by the Empress Eugenie, to promote the manufactures and the trade of France, which it has done most effectually; the silk worms of the whole empire being altogether overtasked to supply the material for the ample skirts demanded by this preposterous fashion. I find the haberdasher catering to this taste with all his art. The more numerous and ample the petticoats he can put into my expense account, the more he gains at my cost. Do I blame or quarrel with the haberdasher? Surely not. He finds a public taste prevailing and furnishing a respectable business, out of which he makes all the profit he can. No man of common sense blames him, however he may oppose the fashion, as I do all I can, and pay the bills at last.

This is precisely my position in relation to the banks. Many of my best friends are intimately connected with, or immediately concerned in, the system of debt banking; it is the only method by which they can control any considerable business facilities. I cannot avoid connection with it myself, and have yet to see the bank officer or director who ever objected to granting me a discount because of my opposition to the system. In truth, many of its best informed and strongest opponents are among bank officers and bank directors, and some of them protest against it as openly and heartily as myself. I speak of the banks as the exponents of the system; it cannot be avoided; but your readers will, I trust, comprehend the distinction between the system I condemn and those concerned in its direction and details.

The celebrated Prussian professor of the Asiatic languages, Henry Julius Von Klaproth, in a paper read to the Asiatic Society of Paris, states that he found in the Chinese annals the earliest financial operation of the Chinese ministry to meet the public expenditures, which had become too great for the revenues of the state, to bear date in the year 119 before the Christian era. At this period they introduced the *phi pi*, or *value in skins*, which were skins of certain white deer that were fed in the interior park of the palace. They were current in the palace and among the grandees at a price equal to fifteen dollars of our present money, but it seems they never passed as money among the people. This was *skin money*—a money of *value*—to which I can see no objection except its inconvenience in size. They were a foot square Chinese measure, and were ornamented with extremely delicate paintings and embroidery.

There was a general derangement of affairs in China, about A. D. 605-617, and all sorts of things were used for money—circular plates of iron, cut pieces of cloth, and even pasteboard. About A. D. 807, coined copper had become exceedingly scarce, by reason, chiefly, of manufacturing a great amount of bronze images representing *Foe* and the saints of his religion. The emperor then renewed a former prohibition against making vessels and utensils of that metal, and compelled the traders and rich families to deposit their specie in the public chest. For this specie they received certificates called “flying money,” but in three years their use in the capital was suppressed: for some time longer they were current in the provinces. A. D. 960, a system of depositing silver in the imperial treasuries was established, for which securities were issued, called “convenient money,” that were eagerly received everywhere. About this date we first hear of the issue of a regular paper money currency, namely, paper bills substituted for silver and not guaranteed by any pledge whatever: these were called *tchitsi* or *coupons*, and were first issued in the *chou* country, now the province of *Szu-tchouan*, as a substitute for the iron money, which was too cumbrous. This example was followed in the reign of *Tchin-tsoung*—A. D. 997 to 1022—and bills were issued called *kiao-tsu* or “exchanges.” Every *kiao-tsu* represented one ounce of pure silver. Sixteen of the richest houses conducted this financial operation, and in the end were all ruined. The emperor then abolished the bills of this company, reserving to himself the establishment of a bank for bills at *Y-tcheou*.

These *kiao-tsu* appear to approach the nearest to the convertible system of the Bank of England of any thing I find in history, previous to the establishment of that bank in 1694, but they were not the same in principle, as

may be seen at a glance. If I understand the account, they were issued from time to time payable at three years date; it does not appear what securities the issuers received, nor what the government had to do with the scheme, but the sixteen rich houses were called directors, and, as they seem to have been responsible for losses, may have been the proprietors. In any event these bills must have been, for a great part of the time, like any other securities in market, subject to an alteration in value in relation to silver according to supply and demand.

It is not necessary to pursue the history of paper money in China further, except to say that the government took the whole business of making and issuing paper money into their own hands, if they had relinquished it in the case of the *kiao-tsu*, which is doubtful, and the nation had all manner of difficulties with it. The Mongols, who made themselves masters of China, and founded a dynasty there called *Youan* in the latter half of the 13th century, were compelled to abandon the empire in consequence of the ruin they had wrought with an emission called *paotchoo* or *paper money of value*. These Mongols introduced the same into Persia. After centuries of bankruptcy and confusion in their financial affairs, the Chinese finally banished paper money from the empire, about the year 1445, and there seems to be no further mention of it. As to the shroff chop notes, now used there by brokers, they are merely memorandums of balances of money due from one to another, like our borrow and loan tickets; they are not an issue beyond *value*, like our bank notes.

China is now reaping an immense advantage, in the increased sale of her products, by maintaining the most valuable currency in the world. This she does, simply, by confining it to its natural volume, and producing commodities to such an extent as to keep her money relatively more valuable than her merchandise. The silver of the world, and much of the gold, must flow to her, to the extent of her means in surplus commodities, which are very great by reason of her monetary policy. This, and nothing else, excepting a slight action in India of the same sort, is the reason of the great export of silver from Europe to Asia. China is doing what we ought to do—selling goods for cash. Her people are keeping out of debt by using *money*—a currency that does not depend for its existence upon debt and discount. The reader will please not jump to the conclusion that we must adopt the errors of China, and become Chinese, by employing a metallic currency, which we should improve with coin certificates for portableness without doubt. This is too apt to be the method of arguing against a pure money currency in this country.

Inconvertible paper issued by government is undoubtedly bad enough, as we see in its Chinese history, for, with the possible exception of the *kiao-tsu*, it was all government paper, and if further evidence were needed, we have it in the provincial and continental money of this country and the assignats and mandates of France. But I yet doubt if it be as destructive to the fortunes and general interest of the community in its constant effect, as the convertible currency—bank notes and balances—of our present system; because it does not necessarily create a debt beyond itself: it does not require a debt for discount to produce it. Its affinity is with property—not with money. It rises and falls, in relation to coin in which it is nominally payable, and which is the true money, precisely like government stock or any other property having a price, and coin has its natural value

independent of the paper. Always, where such paper exists, there are two measures in the market; the coin remains the true one; and a debt for \$100 contracted in inconvertible paper can be paid with \$50 of coin when the paper is 50 per cent. below par, because the debtor will buy the paper with his coin if it be his interest to do so. It is not so with the convertible currency; coin with that has not an independent value. When prices fall one-half, by reason of the contraction of the volume, and consequent appreciation of the value, of the currency, the true gold measure of \$50 will not pay a debt of \$100; we must give double the property for which the debt was contracted to discharge that obligation. The whole hundred dollars must be obtained from property fallen in *price* one-half, not because the property has fallen in *value*—it may not have altered in value in the least—one commodity may purchase just as much of any other commodity and of all commodities as before—but because money or currency has risen in value by scarcity in relation to the demand 100 per cent.

During the long intervals of centuries not mentioned in the Chinese annals, there must have been periods of prosperity in business with their paper currency. They have always been an industrious people, and everywhere work produces wealth. Commodities pay for commodities in any currency, and the volume of currency necessary to effect the exchanges is wholly immaterial, if it be left to the operation of natural laws. Buenos Ayres prospers with a wretched paper currency, 21½ dollars of which are worth but one of ours to-day. Their currency is valued by the doubloon of \$16,—so that, after all, their *money* is gold and silver, and their currency fluctuates in price, precisely like a public funded debt. With their valuable and indispensable commodities, such as hides, wool, tallow, horse hair, jerked beef, etc., they keep the exchanges in their favor with all foreign countries, recently, and we are obliged to pay them largely in coin, or in exchange on England. The merchants of Buenos Ayres are gradually dropping the use of the paper currency in one commodity after another, and using directly silver rials and gold doubloons. We, with our self-destructive expansion of a convertible currency, are creating enormous prices for the commodities of Buenos Ayres, and paying for them in gold, enriching Buenos Ayres at our own cost, and by our own folly. That country will shortly have only a pure metallic currency. An inconvertible currency is more vexatious than unprofitable, while a convertible one is more unprofitable than vexatious.

Every one who has attempted a careful investigation of this subject, knows the great need there is of a nomenclature that will convey and not conceal ideas in reference to it. The sophistication of words has so sophisticated ideas, and stereotyped the false meaning, that scientific demonstration makes but little impression upon the public mind. That which it requires money to pay, obviously is not *money* but *debt*, the very opposite of money. Because we can buy with a bank note, people are possessed with the idea that it is money. So we can buy with a breath—a word of mouth, and make it effectual in the transfer of debt,—is it therefore money? A promise to pay is *debt*, whether verbal, written, or engraved; value is not in the debt but in the thing promised—the “pay” itself. Currency here consists of all the dollars, real and immediately convertible, offered to be exchanged against property offered for sale, or customarily used for the payment and transfer of debt. Our *money currency* pays debt and ends it with *value*; the *debt currency* merely transfers debt with a promise to pay

a value hereafter, but that hereafter is a fatal period. When value is demanded of that currency a thing is demanded that was never loaned—a thing that never existed. In all other exchanges affecting price a value passes, but in the exchange which produces the debt currency there is none: it is the production of a fictitious dollar which enters into price and creates an obligation of debt as binding as if it were a dollar of value created from solid gold, but there is no dollar there, and when the demand is made of payment it must be met with the thing it was made of—a promise to pay; when that will not answer bankruptcy must settle it.

Now our currency thus offered and thus used amounted altogether in the early part of August, 1857, to about *six hundred and ten millions of dollars*, consisting of bank debt in notes, and inscribed credits over and above the coin reserved in the bank coffers \$410,000,000, and coin not in hoards \$200,000,000, the coin in the banks being included in the two hundred millions, of course. Of this coin the most active portion is in the notes and credits of the banks, which circulate its ownership whether the coin is removed or not: so far the bank liabilities are true money. Next is the coin below the denomination of \$5, in those States where the issues of small notes have been suppressed, and fractions of a dollar everywhere. The rest is sluggish, some among the western immigrants, some in the stock-deposit of the Dutch farmers, and thus varying to the confines of the board.

I find no account of any thing resembling this debt currency of \$410,000,000 before the founding of the Bank of England—a currency of debt convertible on demand into coin, and thus having an exchange value equivalent to coin with no coin to convert it into—an amount of currency payable at sight in dollars over and above all the dollars in the country; simply debt with no *value* opposite—nothing but another debt like itself.

The Banks founded previously to the Bank of England were as follows:—Bank of Venice in 1171, Bank of St. George at Genoa in 1407, Bank of Amsterdam in 1609, and the Bank of Hamburg in 1619. All of these were merely banks of deposit and transfer, excepting the bank at Genoa, which was a bank of circulation also. The others were government institutions; this at Genoa was conducted by a company of shareholders, and it advanced immense sums to the government. I cannot learn that it ever advanced or circulated any thing but coin or bullion; certainly it never issued “promises to pay,” or inscribed credits for specie not in its coffers.

Now we are prepared to examine the principle of the Bank of England. I will follow this article with an account of that celebrated bank in a few weeks.

European.—Some six weeks ago Mr. Gustave Speyer, banker in New York, purchased about \$1,500 worth of hundred guilder notes on the National Bank of Austria, from a person who was apparently a foreigner. The notes were sent to Europe for redemption; but a few days ago they were returned to him as forgeries, by the steamer Vanderbilt. Immediate steps were taken to ferret out the perpetrator of the fraud, the matter was placed in the hands of the detectives, and upon inquiry, it was found that several thousand dollars' worth of the spurious money had been palmed off upon brokers in Wall street; so good was the counterfeit, that even the most expert judges of European bank bills were among the victims. Three Germans have been arrested and examined upon suspicion, but their answers revealed nothing. It is believed the notes were manufactured in Austria.

THE ORIGIN OF BOARDS OF TRADE.

The Boston Board of Trade held its annual meeting at the rooms of the Board, 55, Merchants' Exchange, on Wednesday, the 19th January, 1859. The following is the Annual Report, as read by Lorenzo Sabine, Esq., the Secretary :

Gentlemen of the Board of Trade :—

It has been usual for the Government to submit at the Annual Meeting, for the information and approbation of the members of the Board, a general view of the proceedings for the year ; but, it is deemed best on the present occasion—simply as an experiment—to depart from that course, and, to publish instead, in the Annual Report, with the statistics and other matter, an account of our transactions in full, arranged in the order of their occurrence.

*The British Board of Trade :—*We avail of the opportunity afforded by this change of plan, to say something upon the origin and influence of the Board of Trade, and the Chamber of Commerce. The materials at command are few, as well as scattered and fragmentary ; but sufficient, we hope, to allow us to show that these and similar organizations, are now of immense benefit to business men of all classes, both when local and under the direction of private citizens, and when under the control of public officers who act in behalf of a nation.

The Board of Trade, of England, has ever been a department of the Government. It was created by Charles the First, in 1636, when the regulation of commercial affairs was allowed to be a royal prerogative, in the exercise of which, Parliament could not of right interfere.

Commerce in Queen Elizabeth's Time.—Commerce is now so very free, that its condition in the time of Elizabeth, and the Stuarts, seems hardly credible. The former, of her mere pleasure, granted patents in monopoly to companies or individuals, for dealing in almost every known commodity. Thus, currants, salt, iron, powder, cords, skins, oil, cloth, vinegar, shin bones of cattle, coal, steel, brushes, bottles, pots, saltpetre, lead, glass, paper, starch, tin, sulphur, fish, could be purchased only of the several patentees, or their assigns : and these monopolists were so exorbitant in their demands, that prices rose two, three, and five hundred, and in some cases, one thousand per cent. It need not be said that this policy was opposed to the extension of commerce. Elizabeth saw her error, and partially retraced her steps ; and the House of Commons, abject even to meanness, addressed her in terms due only to the Supreme Being. Her successor, yielding to the clamors of the people, annulled many of the patents which she had neglected to cancel ; but some still remained, by virtue of which, nearly the whole of the foreign trade of the kingdom—that to France excepted—was in the hands of patentees. The result finally was, that the commerce

of England was concentrated in London, and monopolised by about two hundred merchants, who, by combinations among themselves, fixed prices for articles of export and import, at their own will.

From 1623 to 1632.—Such a state of things was not to be endured, even in the reign of James the First; and, in 1623, the advocates of a change acquired the strength to enact a law, which declared monopolies contrary to the liberties of Englishmen. But yet, associations of London merchants engaged in trade with distant countries, were allowed by the terms of the act, to retain their legal privileges. The clause in their favor was, however, ambiguous, and the question, whether an exclusive patent, granted by the crown, was, or was not, a legal privilege, was soon agitated, and discussed for years, with warmth and ability. That, during the contest, little progress was made to relieve consumers and the body of merchants, is certain; for, Charles the First, in 1632, in order to raise money, resorted to the easy mode of granting patents; and, in consideration of £10,000, gave one company the monopoly of soap boiling, and to another, the exclusive right to make starch, on payment of £1,500, and a larger sum, annually; while dealing in leather, linen, rags, salt, and many other articles, was restricted.

Thus was England, commercially considered, in 1636, at the origin of the Council, or Board of Trade. That Board was never unoccupied; but, commerce and manufactures, instead of being increased, suffered still further, from its constant and injurious tamperings.

Period of Cromwell.—In Cromwell's time, the Board was reconstructed; but we know only, that the Protector placed his son Richard at its head, that he associated with him certain Lords of the Council, and twenty merchants, summoned from different parts of the kingdom, and that Liverpool, now the second commercial city of Great Britain, was too insignificant to be represented.

The Stuarts.—After the Restoration of the Stuarts, there was a second re-construction, and a division of duties, by which the care of the British Colonies was committed to one department of the Board, and the Superintendence of Commerce to another; but the two were soon united. Those who consult original authorities with a merchant's eye, and with a merchant's knowledge of the effect of public measures upon producers, consumers, and dealers, find, in the policy of this, and the succeeding Board of Trade and Plantations, the real political causes which, in the progress of events, and a century later, dismembered the British empire. John Evelyn, a writer in philosophy and the useful arts, was a member of this Board, and records in his Journal, that what he and his associates "most insisted on was to know the condition of New England, which appearing to be very independent as to their regard to England or his Majesty, rich and strong as they now were, there were great debates in what style to write to them, for the condition of that colony was such that they were able to contest with all other Plantations about them, and there was a fear of their breaking from all dependence on this Nation."

Proclamation to the American colonies.—These "great debates" at an end, the Board sent a circular to the Governors of the American Colonies; and a proclamation was issued which prohibited the importation of any of

the commodities of Europe into these Colonies, which were not laden in England. The object was to restrain Colonial Commerce. The merchants of Boston resisted at once. The necessities of their position and condition had compelled them to disobey the navigation laws of Cromwell and Charles the Second; and when, ninety-seven years before the Declaration of Independence, the Board sent over to Boston the first royal collector of the customs ever seen in America, he was not only unable to execute the duties of his office, but was insulted and imprisoned, and the tale of his many woes, written by himself, shows that at last he was reduced to a most pitiable condition; and when, at the same period, on complaints of the merchants and manufacturers of England, the Board instructed the Governors anew to enforce obedience, Massachusetts, speaking in behalf of her business classes and of her whole people, asserted that the obnoxious laws were an invasion of their rights as Englishmen.

Stoppage by political troubles.—This Board was formed at an interesting era in the commercial history of England, and but for the political commotions of the time, might have been successful. It soon, however, became an object of contempt, and ceased to exist. It was designed, as is said by a very distinguished personage of the last century, as a specious and showy imposition to delude the people, and to corrupt Parliament. This opinion may be just; still, if it be remembered that a President of this Board was the great Earl of Shaftesbury, who founded the Whig party, who was the special friend of the merchants, and, probably, the first English minister who recognized their influence as an essential element in the administration of affairs, as well as the first who treated them officially and openly with the respect to which they were entitled; and, if it be remembered, also, that the immortal John Locke was a Secretary of this Board, and that the world, possibly, owes the *Essay on the Human Understanding* to this circumstance and to his general relations to the Earl, we may find something to temper our dislike to the Board of Trade and Plantations of the time of Charles the Second, obnoxious as it justly was in both hemispheres.

Efforts of Parliament in 1695.—In the year 1695, when English commerce was distressed beyond all example by the cruisers of France, an attempt was made to form in Parliament for its protection a Board, with most of the powers of the admiralty and treasury, united; but the Court party defeated the measure, and in the year following organized, as a substitute, a standing Commission, known as the Lords Commissioners for Trade and Plantations. Those who, in the Revolution eight years previously, had called William and Mary to the throne, had defined with some degree of precision the limits of the prerogative in every thing but matters of trade, and, for aught that appears in the terms imposed upon the new king, and his successors to the crown, the royal right to grant monopolies without the sanction of Parliament was unimpaired. And the failure to protect the commercial interests against the aggressions of the sovereign is the more remarkable, since, of all previous times, this was the most memorable in the annals of commerce; for, here we have the origin of the Credit System.

Origin of Commercial Paper.—A bank of mere deposit had, indeed, existed at Venice from the twelfth century, some kind of paper had been used in business transactions in China,—the hunted and hated Jews had

invented the *bill of exchange*.—English judges, after long dispute, had recognized the validity of the *promissory note* in the hands of a third party—*public scrip* had been used in Florence, and banks of *deposit and transfer* only, had been established at Amsterdam and Hamburg; but, after the lapse of five centuries, the two elements in banking, of *discount and circulation*, were still wanting, and these elements were introduced for the first time by any legislative body, in the charter of the Bank of England.

Thus, at the very juncture when the new Board of Trade was organized, merchants and statesmen had agreed upon a system for conducting business, which combined all fragmentary ideas and actual usages of past ages, in a manner to secure the public confidence, to aid the government in its fiscal operations, and to increase the foreign and domestic traffic of the kingdom.

Board of Trade and Plantations.—From the universally acknowledged ability of William, it was to be presumed that *his* Board—unlike all of which we have spoken—would have commanded the respect of that age, and of our own. But, as in the days of the Stuarts, it was inefficient for good, and potent for mischief everywhere.

John Locke, a favorite of the Whigs, and of the king, and with some experience as Secretary under Shaftesbury, was the first Lord Commissioner or President; but, in declining health, and devoted to philosophical inquiries, he retired without leaving the impress of his talents upon its records.

With the eight Lords Commissioners of Trade and Plantations, the Governors of the Colonies were required to keep up a constant correspondence; and that every thing done in America should be known in England, the journals of the different Colonial councils and assemblies, and the accounts of the collectors of the customs, were ordered to be transmitted, as well as every other kind of information necessary to opinions on American affairs. Thus the Board of Trade and Plantations, poorly as they were sometimes obeyed, accumulated in their archives in the course of eighty years, no less than two thousand three hundred volumes of reports, and other documents of a similar nature.

Unpopular Measures.—After the resignation of Mr. Locke, the first Lord Commissioner was usually a peer of the realm; but he and his associates—officially considered—were little less than pimps and spies upon every man in New England who owned a ship, or built a little mill to work wool; and are to be loathed by every one who believes that statesmen are bound to increase human industry, and to promote human brotherhood. No matter who retired, or who succeeded; the condition of the people of the commercial and manufacturing Colonies was never essentially ameliorated, from the first to the last. The interference of the Board in some form, was constant and inquisitorial. By refusing grants of land to persons of the highest character in America, who designed to form companies, and to effect extensive settlements; by discouraging or preventing emigration; by restraining the use of paper money, though coin was of necessity remitted to England to pay for the manufactures which could be procured lawfully nowhere else; by refusing assent to bills of the colonial assemblies which were framed or revised by the wisest and best men in American history; by denying place and station to colonial talents; by

destroying the most lucrative branches of colonial commerce; the Board alienated, finally, the North and the South; and Episcopal, monarchical Virginia, and Puritan, republican Massachusetts, met on the same field, to break the yoke of colonial vassalage. In a word,—there is hardly a wrong in the long and stirring array of grievances in the Declaration of Independence, for which the Board is not responsible, both in the inception and in the consummation.

Abolition of the Board.—In truth, it became at last as odious in England as in America; and in 1780, Mr. Burke, in a full House, after a very animated debate, carried a vote by a majority of eight, for its entire abolition, and the transfer of its business to the Privy Council; but the merchants, anxious only for a reform, were dissatisfied with this extreme measure, and it was revived and continued. In the principle on which it rested, it would seem that there had been no considerable change; for then, as ever before, its powers were derived from the royal prerogative, rather than from statute. Mr. Burke, in his speech on the occasion, assailed it in almost every form of reproach. In his view, it was of no service to the country; and its greatest benefit was to eight members of Parliament, to whom it afforded a salary of £1,000, and opportunity to mature a claim to double the sum, as a retiring pension. In his scorn for its inactivity, he exclaimed—"The perpetual virtual adjournment, and the unbroken sitting vacation of the Board of Trade." So of its uselessness in legislation, he as bitterly said—"We want no instruction from it, or from any other board: and God forbid that we should give the last attention to their reports."

Gibbon, the Historian.—Gibbon, the historian, was one of the Lords Commissioners, and vouches for the general accuracy of Mr. Burke's representations, and allows of himself personally, that he remained for weeks at a time in his study undisturbed by the cares of official business; and it appears that a part of his "*Decline and Fall of the Roman Empire*," was written when he was in office. In fact, from the evidence within our reach, we are led to conclude that the Board of Trade of England, thus far, and in all its changes of name and functions, had been more serviceable to the world of letters than to the world of traffic; and that it is to be remembered with complacency, principally, because it ministered something to the pecuniary wants of Evelyn, of Locke, and of Gibbon, while pursuing the inquiries to which they mainly devoted their lives. True, Georgia and Nova Scotia owe their origin to the Board of Trade and Plantations; but, though to found these Colonies cost England quite five millions of dollars, neither made sensible progress, until the Lords Commissioners ceased to interfere, to plan and to manage.

British Board of the Present Day.—Having rapidly noticed the course of the Board while subject to the control of the king and his ministers, and while the celebrated Act of Navigation was enforced against all foreign countries, and against the American Colonies; we pass to speak of it in our own day, and under the change of policy which has resulted in the adoption of the principles of free trade. As now constituted, the President of the Board is a minister of the crown; and no person concerned in commerce can be a member. For the last forty years, its affairs have been directed by men of eminent talents. Its authority is derived entirely from

statute law. The care of the mercantile marine, once entrusted to the admiralty, has been transferred to it, and in this department, except in matters of revenue, its superintendence is well nigh supreme. Among its other duties, are, to advise the colonial secretary upon questions affecting colonial commerce; to confer with the lords of the treasury upon measures relating to customs and excise; to communicate with the Foreign Secretaries upon the formation of commercial treaties; to supervise orders in council; to report upon dock and railway bills; to exercise partial control in the various branches of industry, and over chartered companies; to prepare monthly statements of exports and imports, of shipping, and the like. Such are the outlines.

In a very recent debate in Parliament, it was arraigned for alleged misuse of its functions in several specified instances; and an inquiry into its constitution was demanded, on the ground that the duties imposed upon it are too numerous, too various, and too complicated, to be efficiently and satisfactorily discharged. The attack was without results. Some of the oldest and ablest members of the House of Commons rose in its defence; and its assailants were refused even the courtesy of a Committee.

Reserving our expression of assent to its policy in the direction of free trade, as applicable to the present condition of the United States, or while the use of capital and the wages of labor shall continue essentially dearer than in England; we may commend its course in most other respects, with little qualification. Thus premising, we proceed to mention in as much detail as our limits will allow, the radical changes and the comprehensive reforms which the Board of Trade has been the principal instrument in effecting in commercial and maritime law, within forty years.

Petitions in 1820.—In 1820, every leading mercantile house in London, in a petition to Parliament, expressed the opinion that the repeal of the *protective regulations* of commerce, would be for the public advantage. Such a sentiment, deliberately uttered, and sustained by reasons, by some of the best informed and most extensive merchants in the world, had great influence; and several measures to lessen the existing restrictions, were at once devised and introduced, by the proper minister.

Mr. Huskisson, the Champion of Free Trade.—In 1823, Mr. Huskisson, by a partial change in the administration, was placed at the head of the Board of Trade. His essay on the currency; his speeches in opposition to the views of the chancellor of the exchequer, and in the debates upon the question of resuming specie payments, during the suspension by the Bank of England of nearly a quarter of a century; the wisdom he had displayed in the agitations on the vexed measure of the Corn-Laws, in discussing which, members of Parliament of moderate views incurred the fury of the suffering masses, on the one hand, and the hate of the powerful land owners, on the other; and his masterly exposition of the complicated subject of the national revenues and expenditures, had confirmed to him the reputation of being one of the ablest financiers, as well as one of the most profound statesmen of the age. He became at once the champion of Free Trade, because of his belief in its principles to give an impulse to the industry and to the intellect of his own country, and, because it was the chosen and constant rule of his life, to look upon man everywhere as a brother. He pursued the plan of removing the century-hallowed restrictions on commercial freedom, calmly and considerately, yet,

with an energy which excited the admiration of the liberal, and afforded occasion for the most malevolent accusations on the part of his opponents. As President of the Board of Trade, he vindicated himself in the House of Commons, for the last time in 1827, on a motion for a committee to inquire into the distresses of the shipping interest of the kingdom. Navigation was fearfully depressed, and in an offensive tone, the embarrassments of the ship owners were attributed to him. The attack was made after "a long and threatening note of preparation;" but, in the opinion of his friends, he overthrew his accusers, "not only by the most convincing reasoning, but by the clearest arithmetical proofs." Time will test the wisdom of some of Mr. Huskisson's measures; but beyond all doubt he accomplished great good to England and to the world; and it is fit that our records contain a tribute to the memory of the illustrious man, who represented Liverpool in Parliament, and who, whether in office or out, and whether praised or persecuted, retained the confidence of the merchants of that city to the last hour of his life.

Labors since 1845.—In concluding our notice of the Board of Trade of England, we have barely time to refer to its most considerable labors since about the year 1845. And first, it advised the revision of the Tariff; the repeal of the duty on four hundred and twenty articles of import; the reduction of the duty on all raw materials; the conversion of prohibitory duties into protective, and the diminution of protective duties. It has entirely abolished the navigation laws, which, existing from the day of Cromwell, were deemed the bulwark of the kingdom. It has consolidated fifty statutes relating to ships, and to kindred interests. It has been instrumental in adjusting, in a satisfactory way, the measurement of tonnage: it has introduced an examination of masters and mates with great success: it has established shipping offices, in order to protect seamen against their tempters, who are the same in every port and country: it has arranged a system of money orders, by which the sailor on receiving his wages may transmit certainly and safely what he wills, to his family: * it has instituted Savings Banks for seafaring men, and induced them to deposit considerable sums: it takes charge of the wages and effects of deceased mariners, for distribution to the nearest relatives: † it has issued, at great expense and labor, elaborate instructions to Consuls, for guidance in all matters of difficulty: it has extended the principle of salvage so as to include reward for the saving of human life: it has ensured the survey of passenger steamers, and adopted a rigid mode of inquiry into the misconduct of ship masters. It has regulated claims for salvage by vessels of the navy, and the manner of volunteering into such vessels from the merchant service; and modified the laws which compelled ship-owners to take apprentices. It has improved the life-boat establishments on the British coasts: revised the whole subject of pilotage in the port of London, to the saving of one hundred thousand dollars annually: devised a plan of registry and title to ships, which is at once simple and safe: and receiving from Trinity House the management of lighthouses, it has remitted light-duties to the amount of more than three-quarters of a million of dollars yearly. Such are some of the recent services of the Board to commerce, and to humanity.

* The sum thus transmitted in 1856, was about \$700,000.

† The amount of these distributions in 1856 was \$150,000.

Boards of Trade in the United States.—It remains to speak of the United States. At the commencement of the year 1858, as far as we were able to ascertain, there were ten Chambers of Commerce, and twenty Boards of Trade, between Portland and San Francisco. It hardly need be said that all these are mere voluntary associations of men of business, without political power or patronage, but generally with limited charter privileges, and sustained by self-imposed assessments and contributions.

The Chamber of Commerce of New York is by far the oldest. It was organized in 1768, for the purpose of "promoting and encouraging commerce, supporting industry, adjusting disputes relative to trade and navigation, and procuring such laws and regulations as may be found necessary for the benefit of trade in general." Two years after, its founders obtained a royal charter. At this juncture, the merchants of Boston would have been refused a similar favor; for such had been and was their resistance to the laws of navigation and trade, that they were deemed objects of punishment, and ships and soldiers had been sent to awe them into submission; troops had been quartered in the very room which they used as an Exchange; their vessels and merchandise had been seized; and they were prosecuted in the admiralty court, to recover ruinous fines and penalties.

Quite a different state of things existed in New York. Isaac Low, an early President of the Chamber of Commerce, who, at first a whig, and a member of the Continental Congress, fell off, lost his estate by confiscation, and died in banishment; and several more of the original members closed their days in exile, in consequence of their disaffection to the popular cause.

In 1784, the Chamber was continued a corporation, with enlarged privileges, by an act of the Legislature. Strangely enough, for nearly eighty years, and until within a few months, it was homeless, and depended upon accidental accommodation. It met first, probably, in a tavern; next, as required by charter, in the "great room" of the "Exchange" in Broad street; early in the present century, where it best could; and from 1835 to June, 1858, in an apartment of the Merchants' Bank. Though until quite lately without a library, and a Secretary devoted exclusively to its service, and though it has published no reports of its proceedings—the Chamber has still acted with energy upon the important questions in its province, which have arisen from time to time; and, as it has borne, and yet bears, upon its list of members, some of the most honored names that adorn the commercial annals of New York, and of our common country, its influence in the legislation of the State and of the Nation, has been in accordance with its high respectability. The President, at the present time, is Peletiah Perit; and the Secretary, J. Smith Homans.

Baltimore Board of Trade.—In the history of the Baltimore Board of Trade, there are incidents somewhat singular. The first election of officers was on the 20th of February, 1821, when Robert Gilmer was chosen President, and William Cooke, Secretary. Mr. Gilmer died the following year, and William Patterson, the senior Vice President, was elected to fill his place, but declined; and choice was made of the junior Vice, William Lornan, who continued in office until January, 1830, when the Board ceased to exist. The number of members at the organization in 1821, was sixty-four, of whom eight survive, namely, F. W. Brune, Joseph King, jr.

Isaac Tyson, jr., Philip E. Thomas, J. W. Patterson, James Brundige, Israel Mankin, and William Cooke, the first and only Secretary. These gentlemen, remarks our informant, "are in affluence, and possess the respect of the entire community."

In February, 1836, the Board was revived: Henry Thompson was chosen President, and his son, Samuel T. Thompson, Secretary. The former survived but little more than a year, and was succeeded by James Wilson, who served from 1837 until March, 1843, when there was a second disbanding. The latter continued in service the whole time, and the Board, without rooms of their own, met at his private office.

After another interval of six years, and in October, 1849, the present Board was organized, under circumstances which promised permanence and success. John C. Brune, the first President, and George U. Porter, the first Secretary, have been annually re-elected, and are now in office. The Board have apartments of their own, which are open to the members.

It is not in our power to enumerate the many useful measures which have been proposed and matured, during the last ten years; but of this we are certain, that the Baltimore Board of Trade,—if without other claims to honorable mention,—deserves the gratitude of the country, for opening the new channel in the Patapsco, by which ships of the largest draft can approach the city in safety; and, for establishing a floating school, in which boys are taught practical seamanship, and trained to habits of thrift and sobriety, almost free of charge.

Philadelphia Board of Trade.—On the 15th of October, 1833, there was a meeting of merchants of Philadelphia—"To take into consideration the propriety of forming an Association by means of which the commercial and trading community may be enabled to act with united effort on all subjects relating to their interests,"—which resulted in a resolution to form a Board of Trade, and the election of twenty four Directors. On the 22d of the same month, Thomas P. Cope was unanimously elected President, two hundred and twenty merchants voting; and on the 1st of January, 1834, a Constitution was adopted, which has never been essentially changed. J. M. Wright was the first Secretary of the Directors, and, as we suppose, acted in that capacity for the Board. An Act of Incorporation was obtained in 1838, which authorizes the Board to appoint annually two of the seven Port Wardens of Philadelphia.

In the lapse of a quarter of a century, there have been but three changes in the presiding, and only four in the recording officer. Mr. Cope remained President until his decease, in 1854; Thomas P. Hooper, his successor, resigned at the close of 1857, and was succeeded by Samuel C. Morton, who is still in office. Mr. Wright was Secretary from 1834 to 1838; C. G. Childs, from the last named year to 1853; F. W. Grayson, from 1853 to 1858; and was followed by Lorin Blodget, the present Secretary. It may be inferred from the small salary attached to the office, for several years, that the duties were occasional and inconsiderable, until quite lately.

The first movement of the Philadelphia Board—not unlike our own—was to increase facilities in transportation. In 1833, and before their organization was completed, they sent delegates to a Convention called for the purpose of devising a plan for uniting the canals of Pennsylvania with those of Ohio; and by the publication and distribution of the proceed-

ings of that body, and by continued action on the general subject of constructing canals and railroads, rendered efficient service in opening the existing means of communication with the West.

Since that time, the efforts of the Board to promote the commercial interests of Philadelphia and of the country, have been constant, earnest, and effective. Investigations into the causes of delay in the carriage of goods inland, always difficult and vexatious, have been made at intervals for years, and occasionally by special agents. Congress has been solicited by memorials, for additional light-houses and buoys; for a survey and chart of the Delaware bay and river; for change in the postal laws; for a new custom house, and a dry dock; for the erection of piers at Delaware City, for the establishment of the warehouse system; for a steam line to Brazil; for aid to revive steam communication with Europe. The President has been asked to interpose by negotiation or otherwise, to revive American ship-steam communication with Europe under national auspices. The Legislature of Pennsylvania has been addressed on the subject of a modification of the insolvent laws; on the inspection of tobacco; for aid to the city ice and tow boats; for revision of the usury laws; for the suppression of insurance companies of doubtful management or pecuniary ability; for the repeal of the tax levied by the State, on merchandise transported over the Pennsylvania Central Railroad.

Such are some of the matters which have attracted the attention of the Board, more or less of a public nature; while those of local importance are far too numerous to be mentioned here. Since the year 1854, our own co-operation has been sometimes asked in measures which are of national interest, and we recall no case in which it was refused.

Like the New York Chamber of Commerce, the Philadelphia Board of Trade had no home until June, 1858, when two large rooms, with an office, were fitted up for their accommodation, on the second floor of a new iron building, opposite the Mayor's office and Independence Hall, Chesnut street. At first, the meetings were held in "Wade's Hotel," and the "Merchants' Coffee House;" and after 1834, in some apartment of the "Exchange."

We are glad to add that the Board is in a prosperous condition, and has a considerable fund invested in State and other sound stocks.

Boston Mercantile Organizations.—About the year 1805, an association called the "Boston Importing Company" was formed, with the design of regulating the trade with London and Liverpool in a way best to suit the importers. Three or four first-class ships were purchased, and kept employed. The war of 1812 put an end to our intercourse with England, and the Company closed their affairs. One of the ships was detained by France, but was released to bring home Mr. Armstrong, the American minister.

A second association was organized after the peace of 1815, by the name of the "New England Society for the Promotion of Manufactures and Mechanic Arts," which still retains its corporate existence. Semi-annual public sales of domestic goods were made under the auspices of this Society, for several years, and with success. These sales attracted buyers from different parts of the country, and were of essential benefit to Boston.

Chamber of Commerce.—On the 11th of January, 1836, at a meeting

of "Merchants, and Traders, at the Old Council Room, Court Square, Thomas B. Wales presiding, and George W. Gordon acting as clerk," Stephen Fairbanks stated, that at a previous meeting, at which he presided, a Committee of which Thomas B. Curtis was Chairman, was appointed to consider the expediency of forming a Chamber of Commerce, and that the persons then present had met to act definitely on the subject. A Constitution and code of By-Laws were reported, and referred to a Committee of which Henry Lee was Chairman; and, on the 18th of that month, were adopted, and the organization completed by the choice of William Sturgis for President, of Thomas B. Wales, Robert G. Shaw, and David Henshaw, for Vice-Presidents, and of forty eight Directors. The number of members appears to have been two hundred and twenty four. The Government of the Chamber soon after elected the late George M. Thacher, Secretary, and James C. Wild, Treasurer.

The Presidents who followed Mr. Sturgis, were Thomas B. Wales, Nathan Appleton, and Abbott Lawrence. The successors of the first Vice-Presidents, were Francis J. Oliver, Charles Henshaw, William Appleton, John Bryant, and Amos Lawrence. The changes in the Board of Directors were too numerous to be mentioned here. Mr. Thacher was the only Secretary; and when, in 1839, Mr. Wild resigned, he was chosen Treasurer. In this mention of the principal officers of the Chamber, we pronounce names that will never disappear from the annals of the humane and literary institutions of Massachusetts; names widely known, and widely blessed.

Questions before the Chamber.—A glance at the proceedings at the meetings of the Members and of the Government will serve to recall some of the interesting questions of the past, as well as to show that a part were left undetermined, and descended to this Board. Thus, there was action on the re-charter of the United States Bank,—on the Assignment law of the State,—on weights and measures,—on the warehousing system,—on increase of the legal rate of interest, and on the Tariff. There was a letter to the Secretary of the Treasury, on the payment of duties in specie; and a memorial to the Legislature for Banks of larger capital than any which then existed. At one time the Chamber considered the subjects of Relief to vessels on the coast,—of employment of boys in merchant ships,—of the irregularity of the express mail,—of the survey of the coast of the United States. At another time there was a memorial relative to the Home Squadron; and a petition to withdraw the revenue cutter, and place upon the station a steamer of a construction to free the harbor from obstruction by ice. Again, attention was necessary to the trade with the South and West,—the commercial arrangements with the British Colonies; and to the question of Drawback on Foreign goods exported in original packages. Still again there was a Recommendation to dealers in exchange on England, to buy, sell, and quote the pound sterling in federal money; and a resolution that, in the measurement of cotton, woollen, and linen goods, a yard is just thirty-six inches, and not the breadth of the thumb more.

Committees.—The Standing Committees of the Chamber were two—of Inquiry, and of Reference. The only case which seems to have occupied the time of the former, related to money transactions between several

members and certain brokers. Eleven cases were before the latter, and a part of them were somewhat curious.

Dissolution.—On the first of February, 1842, the Chamber voted, "That a meeting of the President and Directors be called for the purpose of taking measures, if any can be devised, to infuse more vigor into the operations of the association, that it may be more useful to the mercantile community and if in the opinion of the officers, no such measures can be taken, then to consider the expediency of dissolving the association."

That vote was taken up by the Government on the 5th of April following, and indefinitely postponed. A year passed, of less "vigor" than ever before. The last business transacted by the Boston Chamber of Commerce, was on the 14th of March, 1843, when the Secretary submitted a communication from Canada, on the subject of a railroad in the direction of that Colony.

Boston Board of Trade.—The Act which incorporates James M. Beebe, Silas Potter, and James C. Converse, and their associates and successors, by the name of the BOSTON BOARD OF TRADE, for the purpose of promoting the trade and commerce of this city and the vicinity,—which forbids us, in our corporate capacity, to traffic in merchandise of any description, and which allows us to hold property to the amount of one thousand dollars,—was approved on the 29th of April, 1854. The Government consists of forty-six persons, namely, a President, three Vice-Presidents, Standing Committees of five each—of Arbitration, of Appeals, of Inquiry into causes of shipwreck,—a Finance Committee of three, twenty-four Directors, and a Treasurer.

It is the aim of the Board to embody and to express, in the broadest and most liberal sense, the sentiments of the mercantile and trading classes of Boston, on all questions which relate to Commerce, to Trade, to Manufactures, and to Navigation. And, referring to our predecessors, we may express the opinion that much good has already been accomplished.

Subjects Considered by the First and Second Boards.—The subjects considered under the first President were—A change in the revenue laws as regards seizures for smuggling; Grace on sight drafts; The usury laws; The bankrupt laws of Massachusetts; The change of banking hours; The transport of merchandise inland; The Reciprocity Treaty with the British Colonies; the capitation tax on immigrants arriving in Boston; Insurance and insurance companies; The difference of expense in repairing vessels in Boston and New York; The rates of storage in government warehouses; The telegraph to Cape Cod; Calm and storm signal flags; Lines of steamers crossing the Atlantic; The quantity of merchandise transported by water to constitute a ton; The trans-Atlantic telegraph company; The trade with the West; The railway clearing-house system, as established in England, and as applicable to the United States.

These were the principal questions before the Government of the Board the first and second years. James M. Beebe was the second President, and during his term of two years the questions entertained were numerous, and some of them highly important. Among them were, Notice to endorsers; Uniform system of bankruptcy; Repeal of the usury laws; The naval force of the United States in the China Seas; Charges on goods transported from Boston to Montreal; The strike of the stevedores' gangs; the removal of

Charlestown naval station; The discovery of Capt. Morris, to overcome the effect of local attraction in ships' compasses; Renewed and expensive action to facilitate the transport of goods inland; The bill before Congress to amend and consolidate the navigation, revenue, and collection laws; Postal communication between Panama and Valparaiso; The Consular Act of Congress; Postal Reform; Establishing lines of steamers coastwise; The islands in the East Indian seas; The laws which relate to the obtaining of goods under false pretences; The right of commanders of vessels to demand copies of bills of lading; The Grand Trunk railway; Boston harbor; Our relations with China; The exploration of the tributaries of the La Plata; The inspection of linseed in Boston; The boarding of vessels by runners and landlords; Increase of banking capital in Boston; Lines of steamers to New York and New Orleans; Delay of vessels after the advertised day of sailing; Commission to certify persons qualified for masters and mates of merchant vessels; Advance wages to seamen; Railway on the banks of the Welland Canal; and, Canal to connect the St. Lawrence with Lake Champlain.

Such are the questions discussed. All were investigated. On some, action was deemed inexpedient; on others, recommendations were made which may now be found embraced in laws; on still others, our timely interference prevented injurious legislation. To waive every thing else: the wise and comprehensive policy of our predecessors on the subject of inland transportation, and the increase of business between Boston and the West,—as the direct consequence of their labors—are alone sufficient to entitle *them* to lasting praise; and sufficient—we will venture to add—to commend the *Board* to the confidence of the classes for whose benefit it was designed, and whose interests it has steadily endeavored to serve, without partiality or preference.

Labors of the present Board.—The present Government entered upon their duties at a moment of severe and general depression in trade, from which recovery is even now but partial. It was not expected that the year 1858 would be one of great results in our records. And yet, it has happened that our several Standing and Special Committees have performed a great deal of labor. First, in point of time, was an investigation into the causes of the recent monetary difficulties and mercantile embarrassments, with a view to the adoption of such remedies as the nature of the case will allow; and we observe that some of our conclusions are commended as practicable and desirable, by writers in New York connected with the Chamber of Commerce. During the last session of Congress, we appointed a large Committee to consider the "Bankrupt Bill;" communicated with sister organizations with a view to invite concert of action in securing the enactment of a wise and just law; and still further to attain this end, obtained the consent of members of the Government of the Board, to proceed to Washington, and advise with persons of influence there.

We have asked the attention of Congress by memorials, to the several subjects of Signal Lights at sea for sail and steam vessels: On the causes of the loss of the United States Mail steamer Central America, Capt. William L. Herndon. On a monthly steam mail to the West Indies, Brazil, and the Argentine Provinces; and, in a Memorial to the President, we have asked the national interposition in behalf of ship-owners, by a modification of the maritime law in cases of collision at sea. We have considered

a communication from a Committee of the Legislative Assembly of Canada as to amendments in existing treaties and laws, better to promote the interests of the two countries. We have given attention to parties interested, who desired our countenance or aid, to the completion of a railroad from Little Sodus or Ontario Bay, to connect with other roads South and East; and to the completion of a continuous line of rail between Baltimore and Cincinnati, by way of the Eastern bend of the Ohio. We have examined the complaints against the "Long-shore men," or men employed by stevedores; and investigated the charge that several railroad lines arrange their tariffs in a way to discriminate against Boston, and in favor of New York: we have corresponded at some length with the projector of the Steam Line from Galway, Ireland, to various ports in America, with a view to make Boston one point of arrival and departure: and last of all, and to our own immediate interests, more important than all, we have considered the effects of the Branch House system, for the sale of goods manufactured in Massachusetts and in the adjoining States, on Boston capital; and given our reasons why that system should be abolished.

Recommendation of a United States Government Board of Trade.—A word more, and we relieve your patience. We do not accuse the Government of the United States of wilful neglect of the commercial interests of the country: but, with all deference, we do say, that as now constituted, the Treasury department cannot devote to these interests either the time or the attention which they imperatively demand. We commenced our career as a nation with half the ports of Europe shut against our unknown flag, with but two hundred thousand tons of navigation, and with exports of only twenty millions of dollars; and the care of our commerce, rapid as was its growth, was an easy duty until after the lapse of a generation. But now, when we own five millions of tons of shipping, and send off, annually, surplus products of the soil, the sea, and of the shop and the mill, worth two hundred and fifty millions of dollars; when our territories and population, and means of transportation inland, have multiplied in the ratio of ships and exports; we may venture to remark, that the fiscal operations of that department, in which there has been a corresponding increase, require the attention of its officers, without any concern whatever in navigation and trade, save in matters of revenue; and that, of consequence, it has become the duty of our statesmen to form another department which shall relieve the Treasury, and possess, as closely as the nature of our institutions will allow, the powers of the Board of Trade of England. And, in the most respectful tone, we will add, that the merchants and ship-owners of the United States, have a right to ask that the Government assume and bear much of the labor and expense which, under existing circumstances, local Chambers of Commerce and Boards of Trade are obliged to incur in order to be useful in their respective sections of country; and for the very conclusive reason, that many of the questions which these Associations are required to entertain are, either incidentally or directly, national in their character. It is not just, we think, that merchants, who are borne down by the cares of private business, should be compelled, as they are, to devote the time which they need for rest or recreation to concerns which, though of interest to them professionally, affect still more the humanity of the age, and the commerce of the world.

But while we suggest a new department in the Government, with the

powers indicated, we would not dispense with local Chambers and Boards since these and similar associations are necessary to ascertain and remove evils in trade with which a national Board could hardly be expected to interfere: necessary, to devise ways for safe, speedy and cheap transportation, inland, to produce uniformity in commercial customs and charges of factorage, and to form and to concentrate commercial opinion. Nay more: just one-quarter part of the signers of the Declaration of Independence were bred merchants or ship-masters; and men of these classes, retained in Congress after the adoption of the Constitution, helped materially to shape the policy of the country; but as neither are hardly represented in the public councils now, the abolition of these Chambers and Boards would deprive them of their principal remaining power in legislation. For this reason alone, then, we would not only maintain existing organizations,—under whatever name,—but would earnestly recommend the formation of others.

Gentlemen of the Board of Trade:—We meet you for the first time in these beautiful rooms, ample in size, and so arranged, as you cannot but have observed, that four of the six can be easily changed in a manner to afford most of the accommodations of one large apartment. Our thanks are due to Messrs. Nathan Mathews, Francis Brooks, and Francis Cabot, Committee of the Proprietors of the Exchange to treat with us, for their liberal expenditures to meet our wants, and for the moderate terms agreed with us for the occupancy.

Respectfully submitted,

For the Government,

LORENZO SABINE, *Secretary.*

Boston, January 19, 1859.

Vermont.—The Report of the Auditor of Accounts for the State of Vermont shows that the balance in the Treasury on the first of September, 1858, was \$30,632, and that the amount of taxes uncollected was \$60,259, making together the sum of \$90,891 as the immediate available resources of the State, and that the indebtedness of the State, including orders unrepresented, the Bank safety fund and the sums due to towns for United States surplus money, was \$143,904, exceeding the current available resources by the sum of \$53,012. Of this condition of finances Governor HALL, in his Message, says:

"It is to be observed that there has been expended in the construction of the new State House the sum of \$61,127, and that but for this extraordinary expenditure, made necessary by the accidental destruction of the old edifice, the sum in the Treasury and the assessed taxes would exceed the State indebtedness by about the sum of \$8,000. The policy of the State from its first organization has been against the creation of a permanent State debt. Extraordinary and unexpected calls upon the Treasury, like that now requiring the construction of a new Capitol, have occasionally been provided for by temporary loans, but provision for their speedy payment has always heretofore been made. This policy has had a strong tendency to produce a judicious economy in our expenditures, and I trust is not to be departed from."

THE SUPPRESSION OF COUNTERFEITING.

*Sixth Annual Report of the Board of Managers of the Association of Banks, for the Suppression of Counterfeiting.**

FOR THE YEAR 1858.

PURSUANT to the eleventh article of the Association, the Managers present herewith a report of their doings for the past year, accompanied with such explanations and suggestions as will enable the Association to judge somewhat of its labors and results. This report is printed, as usual, and sent to all the Banks in New England, *prior* to the annual meeting, that the members of the Association may have time to examine it, and thus be prepared to make suggestions, if necessary, for our action at said meeting. And of Banks not members, we ask a careful examination of this report, and invite them to join us, as they may at any time, under the second article of the Association.

At the first Meeting of the Board of Managers, elected at the last annual meeting of the Association, an assessment of five dollars on each one hundred thousand dollars of capital stock, was laid upon the Banks, pursuant to the second article of the Association. Subsequently, circulars were sent to all the Banks in New England; and in Massachusetts, one hundred and thirty Banks responded by paying their annual assessments. Of the Banks in the other New England States, eighty-five became members, out of about four hundred. One Bank in the State of New York, one in Pennsylvania, one in Maryland, and the Bank of Quebec, in Canada, are members; making, in all, two hundred and nineteen Banks now members of the Association.

Last year, (1857,) the number belonging to the Association was two hundred and fifty-one, showing a decrease the present year of thirty-two. This decrease is undoubtedly to be attributed, mainly, to the money panic, and its effects, at the commencement of the last financial year.

The Board of Managers have held five meetings, as usual, the past year, at which reports have been made of the doings of the Executive Committee, and their doings unanimously approved. The Executive Committee have held *thirty-eight meetings* during the past year, at which the various subjects affecting the interests of Banks, and the protection of the currency, have been presented, discussed and acted upon, besides giving special directions and authority concerning our various operations in different localities.

This care and supervision of the Executive Committee have been largely increased during the last year, and from present appearances, will be much *more increased* for the year to come. In accordance with the Statutes of this Commonwealth, the Association, having obtained possession of the following named counterfeit Bank Notes, and plate, have caused the same

* Copies of this Report will be furnished, gratis, on application to the Editor of the Bankers' Magazine.

to be destroyed by the Municipal Court, having jurisdiction in Suffolk County, to wit:

60 \$2 Bank Notes on Massachusetts Bank, Boston.
 4 \$3 " " " Andover Bank, Andover.
 41 \$3 " " " John Hancock Bank, Springfield.
 14 \$5 " " " South Reading Bank, South Reading.
 90 \$4 " " " City Bank, Montreal.

One Bank Note Plate of the John Hancock Bank, Springfield, of the denomination of three dollars.

The above-named plate was of very good workmanship, and the bills were also good specimens, and well calculated to deceive the public generally.

The Managers still continue to offer rewards for the conviction and *sentence* of engravers of plates for counterfeit Bank Notes, or dies for altering the same; also for uttering counterfeit Bank Notes;—as it is some inducement to the various officers of the Police, and others in different parts of the country, to arrest and cause to be sentenced this class of persons, to know that they shall receive our reward, though in many cases it only pays the party causing sentence, about the sum he is obliged to expend. Under ordinary circumstances, and without hope of any reward, men do not like to spend their *own money* for the public good, and, therefore, many of the counterfeiters would still be free, that have been brought to *justice* in consequence of our rewards.

From January 1st to December 31st, 1858, *SIXTY-ONE* persons have been convicted and sentenced. * * *

The list contains some *notorious* engravers and counterfeiters, who have been engaged in the business a long time, and were well known to the Association, but who have been shrewd enough to escape detection until this year. Edward Stevenson, John Pratt, Richard Bolton, Wm. Smither-son, G. B. Watkins, and C. G. Chapin, were notorious for making, and operating in, counterfeit coins, of a very nice finish, that would readily pass in the community without suspicion, until they had been some time in use. Amongst those the most notorious for operating in counterfeit Bank Notes, are Kaine, Devoe, Lyons, Griggs, Miller, Gordon, Simpson, Jolly, Hubbard, Nevers, and Thomas; some of whom are said to have been operating as engravers, printers, and wholesale dealers, for *nearly twenty years*.

It gives us pleasure to be able to record their *permanent* places of residence, for a specific number of years, and hope that their new labors will prepare them—when released—to be better members of society, and lead an honest calling for their support. The Association has paid for sentencing the following number of persons, for the last six years, to wit:

In 1853,	14	persons sentenced,	time not kept, say	50 years.
" 1854,	64	" "	time was kept,	269 " 4 months.
" 1855,	10	" "	" "	34 " 4 "
" 1856,	20	" "	" "	78 " 6 "
" 1857,	29	" "	" "	97 " 7 "
" 1858,	61	" "	" "	208 " 6 "
Total,	184	" "	" "	738 " 3 "

The Board of Managers feel this year, more sensibly than ever before, the absolute *necessity* of the continued union of action of the Banks in New

England, by furnishing the small amounts of means assessed upon them, and by giving their influence in other ways, in efforts to check, as far as possible, a fraud upon the community, and an alarming *injury* to the currency, which is yearly increasing, notwithstanding our incessant labors, and large annual expenditures for services in causing arrests, rewards, awards, advertising, printing, correspondence, and other necessary expenses. During the past year, counterfeits of Bank Notes on New England Banks have largely increased, over the operations of the two preceding years, in various forms of engraving, photographing, lithographing, alterations of old *genuine* plates; by alterations of the denominations of genuine plates, new issues of worthless Notes of Banks that closed up business years ago, and issues of Banks variously *named*, that never had any legal existence; some specimens of which have been so well calculated to deceive the public, that large amounts have been circulated before detection. Such losses fall generally upon the unsuspecting portion of our citizens, that can the least afford to lose; and hence the gradually growing distrust of Bank Notes, as a part of the currency, however safe they may be if genuine.

The Banks of New England will see from this statement of facts, that they must have a still *more united action* in this matter, by their contributions to the Association, to enable it to perform more labor, and sentence more operators,—which can be done had we more means,—or they must accept the other *sure alternative* of having their circulation largely diminished, and it may be, at no very distant period, almost entirely destroyed; thus taking away from the country Banks their largest source of profits.

The Managers think that they may fairly and properly claim that the result of their labors, as here stated, entitles the Association to the hearty support of every Bank that issues Bank Notes, to enable it to further *extend* its operations to protect the currency authorized by the Statutes of the different States, and consign to justice the various “gaugs” and individuals engaged in defrauding the Banks and the community.

The counterfeiters of American coin have largely increased during the last year, and their operations have become so numerous, and their counterfeits so perfect in weight, sound, and general appearance, as almost to defy detection, when first put into circulation; and for these reasons, the Association has paid various *gratuities* for sentencing this class of persons,—a class which is growing more and more dangerous every year.

The Legislature of Massachusetts granted to this Association twenty-five hundred dollars, per year, for ten years previous to last year, and at its last session granted fifteen hundred dollars for the year 1858,—provided the Association expended three times that sum; which shows that the Legislature recognizes the necessity of the labors of such an organization as this to protect the community from the imposition of counterfeit Bank Notes and other frauds upon a currency authorized by its Statutes, and from which the State receives, by tax, a very large proportion of its ordinary annual revenue; and we have no doubt that future Legislatures will see the wisdom and necessity of continuing their aid by the appropriation from its treasury of still larger sums.

The large banking interest of the State of New York has never yet had any united action on this subject, which would appear almost indispensable for their own, as well as for the interests of a large community which is fairly entitled to all the protection they can afford.

The frequency with which counterfeits appear, and appear *first*, in the city of New York, is somewhat suggestive as to the place of their origin. We can hardly hope to do much towards breaking up this business there, until we can have the hearty, determined aid of the Banks in that city.

We desire again to call the attention of banking gentlemen in that State, also in the States of New Jersey, Pennsylvania, and the other States, to the actual necessity of a *union* of sentiment and action on this subject, which will greatly aid us in accomplishing what we desire, namely: to have sufficient co-operation in all parts of the United States and Canadas, to effectually control and exterminate the counterfeiters of Bank Notes and American coin.

If the gentlemen interested in this subject in those States, do not wish to devote the necessary *time, labor, and expense* of organizing an Association like ours, we invite them to unite with us, by contributing the small assessments required of each Bank, and further giving us their influence and aid in various ways to enable us the more successfully to fight and conquer the leading spirits engaged in the business of counterfeiting.

Our system and mode of management are so perfected that we can operate just as successfully in one part of the country as another, provided we have the means to do so, not only of money, but the friendly aid and counsel of Banks in the immediate vicinity of the places of operation.

If we could have from them a fair portion of the "sinews of war," together with wise counsel and general aid as to its judicious expenditure on the spot, which they are so well able to furnish, we are sanguine that a serious and effective blow could be struck. At present the hindrances to success, which will readily present themselves to the minds of those tolerably acquainted with the subject, are too many, and too potent, to permit us to expect to do any more than, occasionally, to get hold of, and break up an isolated establishment; securing a portion of its workmen, tools, machinery, and plates, while the remainder are "spirited away" to a kindred den.

The old modes of counterfeiting are generally pursued, and persisted in, by a higher grade of talent, intellect and skill than used to be employed for such purposes. The "schoolmaster has been abroad" among the rogues, as well as among the honest portion of the community; and he has found among them apt scholars, and has furnished new proof of the truth of the old adage, that "knowledge is power," by the *fruits* of their education. The adage has also received additional confirmation in the new modes of counterfeiting which modern discoveries and inventions have put into the hands of the intelligent and apt scholar, irrespective alike of his honesty or dishonesty.

Some very perfect transfers upon stone—lithographic counterfeits—have appeared, so beautifully and perfectly executed as to deceive, at first sight, eyes somewhat experienced in looking at and engraving Bank Notes; so closely resembling engravings as to be pronounced by brother artists, the cunning handiwork of workmen well known to the craft; and so clear and sharp, for the most part, in their general appearance, as to require the aid of a magnifier to satisfy one's self, perfectly, as to their true character—that they really were lithographic, and not anastatic, or some kindred process of transfer upon metal.

The photographic counterfeits are, also, constantly on the increase, and generally with increasing perfection of execution.

The perfection with which the signatures and the filling up are copied, —giving the true characteristics of the varied handwriting employed for that purpose,—is so great, that in several instances these counterfeits have passed through scrutinizing hands in some of the banks.

Most of them heretofore, and many of them now, are of a purplish tint, betraying at first sight their true character. But it will not do to rely upon this fact, as it arises solely from the want of skill in the counterfeiter, or want of purity in his chemicals, materials, or of thoroughness in his manipulations. They can be made, and are made jet black; and the signature, in one case, shown to the President of the Bank in such a way that he could see only his signature, was pronounced by him to be his own signature, and he said that he must swear to it as such if need be, unless he was permitted to see the bill to which it was appended.

In order to lull suspicion as to the true character of these counterfeits, some of them have the date, or number, or both, entered in *red* ink, after the counterfeit is made. Science, while it furnishes this beautiful process, rightly used, furnishes also a ready means for detecting its true character when thus abused by a test simple and certain; one which can be easily procured, and safely and securely kept, by proper care, always at hand, convenient for instant use. Were it not that the *true* thus continually asserts its supremacy, placing ever the antidote alongside the bane, we might well consider our case hopeless, and give up all attempts to remedy it.

But while this is the case, we are encouraged to work on, and “hope on, hope ever;” calling upon all good and true men, whether Bank officers or not, to help us to the extent of their ability, position and influence, in our common warfare upon the common enemy of confidence, trust and honest labor.

The Managers desire to call the special attention of the Banks in Massachusetts, to the provisions of chapter 378, of the Acts of 1853, which makes it *obligatory* on all Banks to write or stamp on all Bank Notes supposed to be counterfeits, the words “counterfeit” or “altered,” that may be received by them, in payment, or upon deposit, or for redemption.

It is said that but a portion of the Banks regard this law, and mainly for the reason that the *customers* of the Banks object to having their bills marked if they are really *counterfeit* or *altered*.

Now the reason assigned for not enforcing this law, shows clearly *its necessity*; for customers of Banks, if honest, cannot object, upon proper consideration, to having the bill marked, as they must desire to prevent its further circulation; but if they do not desire to prevent its further circulation, then the Banks most certainly should effectually put a stop to all such bills, by complying with the law on this subject.

It may be that some Banks are not aware that such a Statute exists, but there are others who know the law, but for various reasons—mainly the one to which we have alluded—decline to enforce it, very much, in our opinion, to their *own injury*, as well as to the injury of the community, by countenancing to that extent the circulation of worthless money.

In short, if this Statute was strictly enforced by *every Bank*, we think the circulation of counterfeit Bank Notes would be very much decreased, and therefore we hope its provisions will be strictly adhered to.

The following is a copy of the Act :

SECTION 1. Any and every Bank now established, or which may be established, under the authority of this commonwealth, which shall receive in payment, or upon deposit, or for redemption from any other Bank, or from any person or persons, any counterfeit Bank bill, *shall* and may write or stamp upon such Bank bill, the word "counterfeit," adding thereto or thereunder the name of the Bank, and the initials of its officer, by which such writing or stamp shall be made.

SEC. 2. Any Bank Note or bill which may have been altered from its original denomination or amount to some other, may in like manner be stamped with the word "altered," in such manner as to give notice of such alteration.

SEC. 3. If any Bank or its officer shall by mistake or inadvertence make any such writing or stamp upon a Bank Note or bill which is not in fact a counterfeit or an altered bill, the Bank or its officer shall not be answerable in damages for any sum greater than the actual loss or damage which such mistake or inadvertence may produce, except in cases where it appears that the stamp was fraudulently made.

APPROVED, May 25, 1853.

The average term of sentence of persons convicted for the crime of counterfeiting—being apparently rather short—has been the subject of some remark and discussion.

If "the proper end of human punishment is not the satisfaction of justice, but the prevention of crimes;" and if "the facility with which any species of crimes is perpetrated has been generally deemed a reason for aggravating the punishment;" it would seem that a marked *increase* in the severity of the punishment of counterfeiters would not be amiss. "Let it be supposed that the remissness or lenity of the laws should, in any country, suffer offences of this sort to grow into such a frequency as to render the use of money, . . . the circulation of bills, no longer safe and practicable, what would follow but that every species of trade and of activity must decline under these discouragements."

The Managers cannot explain the causes which operate to make so short sentences, except on this ground,—that most counterfeiters, particularly those that have been engaged in the business for some time, have money and *kindred* friends at their command, and employ the best counsel that can be had to defend them, who, if proved guilty, prevail upon the Court to pass light sentences, under various pretexts, such as "first offence,"—"plead guilty,"—"was led into it by some one else,"—"is an only son,"—"is a minor,"—"has a large family to support," &c., &c.

We can only hope that the District Attorneys will use their utmost endeavors to procure sentences that are proportionate to the crimes committed, which will, we think, *increase* the average term of sentences very much, and thus repay more satisfactorily, for the efforts and money necessarily expended to bring this class of persons to justice, and check also in a great degree, the perpetration of these crimes.

Board of Managers of the Association of Banks for the Suppression of Counterfeiting, in A. D. 1858.

DANIEL DENNY, *President*, President Hamilton Bank. ALMON D. HODGES, *Treasurer*, President Washington Bank. CHARLES B. HALL, *Secretary*, Cashier National Bank of Boston.

GEO. W. THAYER, President Exchange Bank. L. GULLIVER, Cashier Union Bank. WM. HYDE, Cashier Hampshire Manufacturers' Bank, Ware. J. M. THOMPSON, President John Hancock Bank, Springfield. HENRY W.

CUSHMAN, President Franklin Co. Bank, Greenfield. GEORGE W. RICHARDSON, President City Bank, Worcester. MOSES WOOD, President Rollstone Bank, Fitchburg. JAMES G. CARNEY, Lowell Bank, Lowell. L. BALDWIN, President Brighton Market Bank, Brighton. J. A. APPLETON, President Haverhill Bank, Haverhill. J. CHADWICK, Cashier Exchange Bank, Salem. HENRY H. FISH, Cashier Fall River Bank, Fall River.

Executive Committee in A. D. 1858. JAMES G. CARNEY, *Chairman*. CHARLES B. HALL, *Secretary*. ALMON D. HODGES, LEMUEL GULLIVER, JAMES M. THOMPSON.

THE UNITED STATES LOAN OF 1859.

Awards to Bidders.

WE briefly alluded on page 668 of our February Number, to the terms on which the new five per cent. loan was taken on the 24th of January. We now annex the particulars, showing the names to whom the loan was awarded, the amount to each, the rate of premium paid, and the aggregate premium realized by the Treasury. The average premium is 2.60 per cent., or \$260,792.50 on the whole loan. The previous loan of ten millions, in August, 1858, realized 4.12½ to 7.03 per cent. premium. The probability is that a further loan will be required during the year 1859. The condition of the Treasury is such at present, added to a refusal on the part of Congress to amend the tariff, that another loan would not be taken on better terms than that of January, 1859.

ACCEPTED OFFERS OF LOAN OF TEN MILLIONS. OPENED 24TH JANUARY, 1859.

<i>Name.</i>	<i>Location.</i>	<i>Amount.</i>	<i>Per cent.</i>	<i>Premium.</i>
Hudson River Bank,.....	Hudson, New York,...	\$8,000	.. 2.75	.. \$220 00
" "	" "	8,000	.. 3	.. 240 00
" "	" "	8,000	.. 3.25	.. 260 00
Thompson, Brothers,	New York City,	100,000	.. 2.15	.. 2,150 00
Etna Insurance Co.,	Hartford, Conn.,	25,000	.. 2.50	.. 625 00
" "	" "	25,000	.. 2.75	.. 687 50
" "	" "	25,000	.. 3	.. 750 00
" "	" "	25,000	.. 3.25	.. 812 50
B. Berend & Co.,	New York City,	100,000	.. 2.50	.. 2,500 00
" "	" "	200,000	.. 2.25	.. 4,500 00
M. Morgan & Son,	" "	50,000	.. 2.56	.. 1,280 00
" "	" "	50,000	.. 2.46	.. 1,230 00
" "	" "	50,000	.. 2.36	.. 1,180 00
" "	" "	50,000	.. 2.26	.. 1,130 00
" "	" "	50,000	.. 2.16	.. 1,080 00
" "	" "	50,000	.. 2.06	.. 1,030 00
Cronise & Co.,	Philadelphia, Pa.,	50,000	.. 2.09	.. 1,045 00
" "	" "	50,000	.. 2.18	.. 1,090 00
" "	" "	25,000	.. 2.25	.. 312 50
" "	" "	25,000	.. 2.33	.. 582 50
" "	" "	25,000	.. 2.45	.. 612 50
" "	" "	25,000	.. 2.59	.. 647 50

<i>Name.</i>	<i>Location.</i>	<i>Amount.</i>	<i>Per cent.</i>	<i>Premium.</i>
B. H. Field,.....	New York City,	25,000	3.50	875 00
"	"	25,000	3	750 00
Ward & Co.....	"	50,000	2.25	1,125 00
"	"	25,000	2.50	625 00
E. Whitehouse, Son & Morison,	"	50,000	2.15	1,075 00
"	"	50,000	2.25	1,125 00
"	"	50,000	2.30	1,150 00
"	"	50,000	2.35	1,175 00
"	"	50,000	2.40	1,200 00
Sweeny, Rittenhouse, Fant & Co.,	Washington, D. C.,.....	3,000,000	2.89	86,700 00
Bank of New York,.....	New York City,	200,000	2.55	5,100 00
Trevor & Colgate,.....	"	50,000	2.47	1,235 00
"	"	50,000	2.27	1,135 00
"	"	200,000	2.07	4,140 00
A. E. Silliman,.....	"	50,000	2.25	1,125 00
"	"	50,000	2.50	1,250 00
East River Savings Institution,	"	50,000	2.25	1,125 00
"	"	50,000	2.50	1,250 00
"	"	100,000	2.75	2,750 00
W. F. Fage,.....	"	25,000	2.06	515 00
"	"	25,000	2.11	527 50
"	"	25,000	2.16	540 00
"	"	25,000	2.21	552 50
"	"	25,000	2.26	565 00
"	"	25,000	2.31	577 50
"	"	25,000	2.36	590 00
"	"	25,000	2.41	602 50
"	"	25,000	2.46	615 00
"	"	25,000	2.51	627 50
"	"	25,000	2.56	640 00
"	"	10,000	2.61	261 00
"	"	10,000	2.66	266 00
"	"	10,000	2.71	271 00
"	"	10,000	2.76	276 00
"	"	10,000	2.81	281 00
"	"	10,000	2.85	285 00
"	"	25,000	3.01	752 50
Clark, Dodge & Co.	"	200,000	2.06	4,120 00
"	"	200,000	2.27	4,540 00
"	"	100,000	2.52	2,520 00
R. W. Montgomery,.....	"	20,000	3.00	600 00
"	"	20,000	3.15	630 00
"	"	20,000	3.20	640 00
National Bank,.....	"	100,000	3.25	3,250 00
Bank of the Metropolis,.....	Washington, D. C.,.....	100,000	2.25	2,250 00
"	"	100,000	2.51	2,510 00
"	"	100,000	3.01	3,010 00
Theodore Dehon,.....	New York City,.....	50,000	2.85	1,425 00
Philadelphia Savings Fund So- ciety,.....	Philadelphia,	150,000	3.00	4,500 00
Willard Gay, Cashier,.....	Troy, New York,	10,000	2.87	287 00
"	"	10,000	3.01	301 00
Howland & Aspinwall,.....	New York City,	150,000	2.21	3,315 00
"	"	150,000	2.41	3,615 00
"	"	100,000	2.61	2,610 00
"	"	50,000	2.81	1,405 00
"	"	50,000	3.01	1,505 00
"	"	25,000	3.06	765 00
"	"	25,000	3.11	777 50

Name.	Location.	Amount.	Per cent.	Premium.
Howland & Aspinwall,	New York City,	25,000	.. 3.16	790 00
"	"	25,000	.. 3.21	802 50
Bank of Washington,	Washington, D. C.,	50,000	.. 4.00	2,000 00
F. M. Ketcham & Brother,	New York City,	20,000	.. 2.25	450 00
Marie & Kanz,	"	20,000	.. 2.07	414 00
"	"	20,000	.. 2.20	440 00
"	"	20,000	.. 2.33	466 00
"	"	20,000	.. 2.46	492 00
"	"	20,000	.. 2.59	518 00
"	"	20,000	.. 2.07	414 00
"	"	20,000	.. 2.20	440 00
"	"	20,000	.. 2.33	466 00
"	"	20,000	.. 2.46	492 00
"	"	20,000	.. 2.59	518 00
"	"	20,000	.. 2.07	414 00
"	"	20,000	.. 2.20	440 00
"	"	20,000	.. 2.33	466 00
"	"	20,000	.. 2.46	492 00
"	"	20,000	.. 2.59	518 00
"	"	25,000	.. 3.00	750 00
"	"	10,000	.. 2.07	207 00
"	"	10,000	.. 2.20	220 00
"	"	10,000	.. 2.33	233 00
"	"	10,000	.. 2.51	251 00
"	"	10,000	.. 2.60	260 00
"	"	20,000	.. 2.07	414 00
"	"	20,000	.. 2.20	440 00
"	"	20,000	.. 2.33	466 00
"	"	20,000	.. 2.46	492 00
"	"	20,000	.. 2.59	518 00
Rollin, Brothers,	"	10,000	.. 2.30	230 00
"	"	5,000	.. 2.55	127 50
R. J. Nevins,	"	300,000	.. 3.00	9,000 00
Lockwood & Co.,	"	400,000	.. 2.11	8,440 00
"	"	350,000	.. 2.39	8,365 00
"	"	250,000	.. 2.52	6,300 00
"	"	250,000	.. 2.64	6,600 00
"	"	150,000	.. 2.77	4,155 00
"	"	50,000	.. 2.89	1,445 00
"	"	50,000	.. 3.02	1,510 00
Clark, Dodge & Co.,	"	100,000	.. 2.10	2,100 00
A. Nicolas,	"	10,000	.. 2.50	250 00
A. & M. Tuska,	San Francisco,	5,000	.. 5.00	250 00
"	"	5,000	.. 5.01	255 00
"	"	5,000	.. 5.02	260 00
"	"	5,000	.. 5.03	265 00
W. T. Coleman & Co.,	New York City,	20,000	.. 3.25	650 00
"	"	20,000	.. 3.00	600 00
"	"	20,000	.. 2.50	500 00
F. Whitehouse, Son & Morison,	"	28,000	.. 2.05	574 00
Bank of New York,	"	50,000	.. "	1,025 00
Theodore Dehon,	"	28,000	.. "	574 00
Rollin Brothers,	"	6,000	.. "	123 00
Total,		\$10,000,000		\$260,792 50

Sales of the new loan were made from the 10th to the 20th February, at $102\frac{5}{8}$ & $102\frac{3}{4}$, but holders generally ask 3 & $3\frac{1}{2}$ premium.

LIABILITIES AND RESOURCES OF THE BANKS OF THE CITY OF NEW YORK.

DECEMBER, 1858.

LIABILITIES.					Capital.	Net Profits.	Circulation.	Due Banks.	Individual Deposits.	Due others.	Total.	Commenced Business.
1.	1.	Bank of Commerce,.....	\$8,851,760	...	\$28,796	...	\$1,975	\$3,747,219	\$4,573,127	\$6,999	\$17,709,876	Jan. 1, 1839.
2.	2.	American Exchange Bank,.....	4,999,550	...	148,024	...	214,802	2,164,860	4,586,085	9,025	12,122,346	July 17, 1838.
3.	3.	Metropolitan Bank,.....	4,000,000	...	487,330	...	270,250	2,500,136	3,058,036	1,640	10,326,392	April 7, 1851.
4.	4.	Bank of America,.....	3,000,000	...	292,372	...	116,621	2,926,086	3,644,522	49,267	10,029,408	June 1, 1812.
5.	5.	Bank of New York,.....	2,838,975	...	121,144	...	374,179	278,577	3,274,881	.....	6,887,756	June 9, 1784.
6.	6.	Merchants' Bank,.....	2,638,975	...	68,430	...	173,197	2,395,899	3,992,917	24,144	9,293,562	June 7, 1805.
7.	7.	Manhattan Bank,.....	2,050,000	...	557,481	...	292,438	635,372	2,976,575	247,238	6,759,094	April 2, 1799.
8.	8.	Bank of the Republic,.....	2,000,000	...	309,754	...	163,500	2,327,373	3,036,482	2,289	7,829,398	Jan. 20, 1851.
9.	9.	Bank of the State of New York,.....	2,000,000	...	125,839	...	240,524	942,959	2,540,068	12,636	5,863,026	May 18, 1836.
10.	10.	Continental Bank,.....	2,000,000	...	105,691	...	155,214	974,493	1,993,381	1,085	5,229,864	Jan 18, 1853.
11.	11.	Mechanics' Bank,.....	2,000,000	...	325,224	...	300,196	831,068	3,130,797	2,621	6,589,906	Mar. 23, 1810.
12.	12.	Park Bank,.....	2,000,000	...	140,672	...	176,607	1,962,296	1,970,114	153,520	6,403,209	Mar. 31, 1856.
13.	13.	Phenix Bank,.....	1,800,000	...	192,766	...	101,347	813,450	2,029,463	2,214	4,939,240	June 15, 1812.
14.	14.	Importers and Traders' Bank,.....	1,500,000	...	129,215	...	203,174	209,823	1,294,849	164,654	3,501,715	Dec. 10, 1855.
15.	15.	National Bank,.....	1,500,000	...	65,111	...	130,800	50,864	986,364	3,055	2,730,194	Apr. 30, 1829.
16.	16.	Shoe and Leather Bank,.....	1,500,000	...	185,907	...	86,035	250,797	5,325,947	1,696	7,350,382	Nov. 23, 1852.
17.	17.	Union Bank,.....	1,500,000	...	75,736	...	171,488	582,373	2,812,242	6,944	5,148,783	Mar. 1, 1811.
18.	18.	Merchants' Exchange Bank,.....	1,235,000	...	94,349	...	136,929	271,534	1,015,636	9,576	2,763,024	June 1, 1828.
19.	19.	Bank of North America,.....	1,000,000	...	130,604	...	78,611	166,475	1,415,451	504	2,791,645	Feb. 25, 1851.
20.	20.	Broadway Bank,.....	1,000,000	...	355,262	...	222,555	199,227	1,948,307	1,387	3,726,738	Aug. 9, 1849.
21.	21.	City Bank,.....	1,000,000	...	110,329	...	.....	222,045	1,698,712	15,420	3,052,506	June 19, 1812.
22.	22.	Corn Exchange Bank,.....	1,000,000	...	65,953	...	133,507	221,039	1,555,202	1,603	2,977,304	Feb. 1, 1853.
23.	23.	Hanover Bank,.....	1,000,000	...	52,033	...	86,170	76,178	913,636	623	2,128,640	Mar. 24, 1851.
24.	24.	Market Bank,.....	1,000,000	...	87,623	...	162,118	229,684	1,180,372	3,620	2,663,417	Nov. 1, 1852.
25.	25.	Mercantile Bank,.....	1,000,000	...	131,943	...	37,700	937,253	1,261,009	.....	3,407,965	Dec. 28, 1849.
26.	26.	Ocean Bank,.....	1,000,000	...	51,888	...	107,708	694,752	807,018	1,899	2,663,295	Dec. 10, 1849.

27. Nassau Bank,.....	979,200	29,549	120,572	366,059	794,603	554	2,280,397	Aug. 1, 1852.
28. Buchers and Drovers' Bank,.....	800,000	88,657	179,646	41,111	1,005,403	10,360	2,125,267	April 8, 1850.
29. Traders' Bank,.....	800,000	71,768	257,064	38,067	741,897	499	1,919,295	.... 1853.
30. Bank of Commonwealth,.....	750,000	51,898	159,960	163,209	1,164,515	....	2,288,882	May 5, 1853.
31. St. Nicholas Bank,.....	750,000	26,300	89,700	69,069	889,245	319	1,824,633	Nov. 22, 1852.
32. Marine Bank,.....	659,100	7,654	114,092	50,709	564,551	29,257	1,425,363	May 5, 1853.
33. Artisans' Bank,.....	600,000	18,080	86,800	103,766	598,184	2,284	1,409,114	Sept. 2, 1856.
34. Fulton Bank,.....	600,000	241,644	137,670	203,309	1,297,224	2,419	2,462,266	Mar. 1, 1854.
35. Leather Manufacturers' Bank,.....	600,000	244,664	244,304	460,599	1,558,355	840	8,108,652	Apr. 23, 1852.
36. Irving Bank,.....	500,000	28,468	110,294	16,172	801,262	463	1,456,659	Apr. 4, 1851.
37. Seventh Ward Bank,.....	500,000	125,816	170,372	11,780	890,619	653	1,099,340	April, 1853.
38. Chatham Bank,.....	450,000	33,699	106,199	5	324,954	388	915,245	Feb. 1, 1851.
39. Pacific Bank,.....	422,700	72,193	119,861	1,804	855,936	4,546	1,477,040	Oct. 17, 1850.
40. People's Bank,.....	412,500	37,067	112,801	8,625	506,810	295	1,078,188	Apr. 1, 1851.
41. Atlantic Bank,.....	400,000	14,642	96,803	48,677	380,757	23,204	964,083	May 25, 1853.
42. Citizens' Bank,.....	400,000	57,757	140,092	....	573,437	17,150	1,188,346	May 20, 1851.
43. Mechanics and Traders' Bank,...	400,000	19,682	123,341	4,524	733,070	2,208	1,382,825	Apr. 15, 1830.
44. Mechanics' Banking Association,	316,000	19,360	67,517	18	210,453	484	613,832	Aug. 1, 1838.
45. North River Bank,.....	316,000	157	49,056	319	275,100	10	640,642	July 11, 1821.
46. Chemical Bank,.....	300,000	586,176	262,482	166,486	2,065,361	900	3,381,405	April 1, 1824.
47. Oriental Bank,.....	300,000	24,235	89,833	....	399,168	404	813,740	July 11, 1853.
48. Grocers' Bank,.....	240,000	36,808	42,778	....	239,890	150	559,596	Aug. 1, 1851.
49. East River Bank,.....	206,525	8,220	83,997	12,199	139,644	17,215	467,800	Sept. 8, 1852.
50. Greenwich Bank,.....	200,000	24,655	161,224	3,905	508,080	633	898,507	Apr. 17, 1830.
51. New York County Bank,.....	200,000	12,312	93,874	10	301,649	....	607,745	Aug. 1, 1855.
52. New York Dry Dock Bank,.....	200,000	17,105	124,479	11	250,569	123,975	715,839	.... 1825.
53. Bull's Head Bank,.....	173,300	6,288	102,493	1	302,163	783	585,828	Sept. 1, 1854.
54. New York Exchange Bank,.....	130,000	17,914	106,827	52,038	207,291	47,943	562,013	Apr. 21, 1851.
Totals, December, 1858,.....	\$68,019,585	\$6,862,144	\$7,701,336	\$28,469,904	\$81,605,963	\$1,011,465	\$193,070,397	
" December, 1857,.....	63,024,112	7,965,716	6,279,802	17,152,207	59,377,009	1,366,520	156,465,426	
" March, 1857,.....	59,703,583	6,611,258	8,538,951	22,888,578	70,760,939	717,793	169,221,102	

LIABILITIES AND RESOURCES OF THE BANKS OF THE CITY OF NEW YORK.

DECEMBER 18, 1858.

RESOURCES.										Banks of the City of New York.										[March,	
Loans.					Stocks.		Bonds and Mortgages.			Real Estate.		Due from Banks.		Cash.		Specie.		Overdrafts.		Totals.	
1. Bank of Commerce,.....					\$2,047,132		.....			\$390,134		\$714,994		\$916,378		\$2,753,271		.....		\$17,709,876	
2. American Exchange Bank,.....					451,491		.....			370,725		210,401		828,220		1,719,532		507		12,122,346	
3. Metropolitan Bank,.....					300,000		51,109			293,420		604,930		822,990		1,175,824		1,320		10,326,392	
4. Bank of America,.....					171,719		7,050			220,000		439,584		802,527		2,281,522		1,910		10,029,468	
5. Bank of New York,.....					822,827		.....			419,188		119,054		668,890		954,918		1,664		6,877,756	
6. Merchants' Bank,.....					10,000		.....			185,000		389,662		892,476		1,811,808		216		9,293,562	
7. Manhattan Bank,.....					309,784		76,079			333,419		109,203		544,325		762,320		90		7,759,094	
8. Bank of the Republic,.....					3,823,407		.....			150,000		544,837		952,019		1,390,189		.....		7,829,398	
9. Bank of the State of New York,.....					224,776		.....			204,872		61,550		738,028		1,032,140		2,329		5,862,026	
10. Continental Bank,.....					355,156		8,500			300,000		169,066		702,545		888,746		5,179		5,229,864	
11. Mechanics' Bank,.....					229,500		.....			133,296		127,849		469,483		1,130,395		3,946		6,589,906	
12. Park Bank,.....					221,046		.....			175,000		164,065		582,413		347,047		496		4,939,240	
13. Phenix Bank,.....					243,576		10,000			.....		191,631		230,969		857,815		2,496		3,501,715	
14. Importers and Traders' Bank,.....					76,000		.....			85,000		14,653		164,274		966,774		.....		2,730,194	
15. National Bank,.....					156,524		.....			100,853		56,443		1,541,754		1,320,554		.....		7,350,882	
16. Shoe and Leather Bank,.....					223,273		.....			209,346		67,870		1,158,826		648,441		14		5,148,783	
17. Union Bank,.....					161,080		12,382			62,998		162,802		194,177		200,154		149		2,763,024	
18. Merchants' Exchange Bank,.....					1,624,517		.....			110,251		148,041		474,003		327,467		49		2,791,645	
19. Bank of North America,.....					263,000		.....			175,000		92,540		698,781		.....		184		3,726,738	
20. Broadway Bank,.....					11,364		4,000			80,000		70,444		379,783		670,087		2,038		3,032,506	
21. City Bank,.....					138,911		.....			111,654		32,708		926,061		124,290		59		2,977,304	
22. Corn Exchange Bank,.....					204,000		.....			91,881		48,307		248,300		211,754		906		2,128,640	
23. Hanover Bank,.....					2,045,331		7,000			75,000		216,474		181,084		273,834		160		2,683,417	
24. Market Bank,.....					63,000		.....			.....		63,984		198,789		477,434		118		3,407,968	
25. Mercantile Bank,.....					145,205		13,220			76,456		128,192		197,113		301,367		1,476		2,663,295	
26. Ocean Bank,.....					.....		.....			.....		.....		.....		.....		.....		.....

27. Nassau Bank,.....	1,615,666	145,478	.....	178,189	35,054	81,274	234,357	585	2,290,397
28. Butchers and Drovers' Bank,.....	1,566,758	201,299	1,000	57,000	28,875	78,098	201,201	1,036	2,125,267
29. Trademen's Bank,.....	1,257,171	356,462	.....	24,000	13,110	76,896	191,656	.....	1,919,295
30. Bank of the Commonwealth,.....	1,169,932	201,218	.....	188,635	57,515	474,517	195,465	1,386	2,988,882
31. St. Nicholas Bank,.....	1,235,368	132,746	.....	104,258	7,925	111,999	232,982	115	1,894,633
32. Marine Bank,.....	931,133	140,900	.....	75,000	17,576	148,109	112,193	452	1,425,363
33. Artisans' Bank,.....	1,024,063	118,400	.....	.....	61,569	88,668	112,029	3,385	1,409,114
34. Fulton Bank,.....	1,739,592	182,742	.....	64,892	51,998	118,304	324,425	413	2,482,266
35. Leather Manufacturers' Bank,.....	2,181,685	36,616	.....	.....	75,325	432,722	382,314	.....	3,108,662
36. Irving Bank,.....	841,585	135,700	7,613	58,049	44,140	137,998	229,122	2,442	1,456,659
37. Seventh Ward Bank,.....	1,339,307	.....	3,000	33,375	20,239	115,638	190,633	48	1,699,240
38. Chatham Bank,.....	532,464	170,593	.....	64,055	3,094	40,848	80,702	559	915,245
39. Pacific Bank,.....	1,002,521	161,753	.....	37,612	1,485	70,008	203,711	.....	1,477,040
40. People's Bank,.....	699,589	105,590	50,070	79,947	24,033	41,699	75,504	1,756	1,078,188
41. Atlantic Bank,.....	621,653	116,687	.....	.....	13,664	128,943	82,063	1,043	964,063
42. Citizens' Bank,.....	749,417	190,860	.....	63,491	8,579	86,677	89,322	.....	1,188,346
43. Mechanics and Traders' Bank,.....	769,233	156,993	.....	57,646	68,079	62,140	168,971	2,163	1,282,825
44. Mechanics' Banking Association,.....	302,574	141,610	7,780	.....	38,598	27,963	95,376	1	613,852
45. North River Bank,.....	330,695	78,959	.....	88,336	24,214	31,406	87,038	.....	640,642
46. Chemical Bank,.....	2,076,483	386,143	.....	52,454	47,180	129,060	689,153	932	3,381,405
47. Oriental Bank,.....	566,417	125,191	.....	18,450	6,834	22,513	73,299	36	813,740
48. Grocers' Bank,.....	377,152	50,000	.....	30,000	46,352	3,508	52,584	.....	659,296
49. East River Bank,.....	284,570	100,900	2,668	29,300	820	32,587	34,955	.....	467,800
50. Greenwich Bank,.....	537,488	169,922	.....	15,498	40,000	50,651	94,948	.....	898,507
51. New York County Bank,.....	378,035	115,711	.....	.....	70,870	1,357	41,772	.....	607,745
52. New York Dry Dock Bank,.....	416,816	100,277	11,000	13,849	57,055	32,120	79,760	5,982	715,839
53. Bull's Head Bank,.....	348,952	128,849	.....	30,122	969	49,858	32,073	5	585,828
54. New York Exchange Bank,.....	304,822	131,800	.....	.....	15,322	81,171	28,495	383	562,013
Totals, December, 1858,.....	\$124,967,547	\$11,231,779	\$508,963	\$5,986,464	\$5,589,674	\$18,695,241	\$26,326,938	\$52,791	\$193,670,397
“ December, 1857,.....	97,783,308	8,191,419	366,538	5,424,647	4,033,850	13,912,456	26,660,183	93,112	156,465,498
“ March, 1857,.....	113,818,017	8,977,507	.....	5,254,501	5,419,824	24,559,243	10,786,375	74,842	169,221,102

BANKS OF THE CITY OF NEW YORK.

CAPITAL; NAMES OF PRESIDENT, VICE-PRESIDENT, CASHIER, ASSISTANT CASHIER, AND NOTARY OF EACH.

<i>Name.</i>	<i>Capital.</i>	<i>President.</i>	<i>Vice-President.</i>	<i>Cashier.</i>	<i>Asst. Cashier.</i>	<i>Notary Pub.</i>
1. American Exchange	4,951,225**	William A. Booth	George S. Coe	Robert S. Oakley	Byron Murray	Alex. R. Rogers.
2. Artisans' Bank	600,000	Nathan C. Platt	Frank Vincent	Richard A. Tooker		Richard T. Deming.
3. Atlantic Bank	400,000	James E. Southworth	Joseph T. Sanger	George D. Arthur		Albert B. Capwell.
4. Bank of America	8,000,000	James Punnett		William L. Jenkins		Jerome P. G. Foster.
5. Bank of Commerce in N. Y. ...	8,770,480**	John A. Stevens	Robert Ray	Henry F. Vall	Richard King	Leslie Irving.
6. Bank of Commonwealth	750,000	Edward Haight		George Ellis		Eugene Lawrence.
7. Bank of New York	2,764,650**	Anthony P. Halsey	Chas. P. Leverich	William B. Meeker		Edward Robinson, Jr.
8. Bank of North America	1,000,000	Wm. F. Havemeyer		Isaac Seymour		George W. Morell.
9. Bank of the Republic	2,000,000	James T. Soutter	John J. Crane	Robert H. Lowry		Jonathan S. Ely.
10. BANK OF THE ST. OF N. Y., 1866*	2,000,000	Rouben Withers	Isaac Townsend	George W. Duer	John R. Kearny	William C. R. English.
11. Broadway Bank	1,000,000	Francis A. Palmer		John L. Everitt		Wm. S. Hascall.
12. Bull's Head Bank	175,000	Richard Williamson		Joseph H. Eldridge		Edmund Stephenson.
13. Butchers and Drovers' Bank ..	800,000	Jacob Alms		Benedict Lewis, Jr.		Rich. C. Fellows.
14. Chatham Bank	450,000	Nathaniel Hayden		Osmond H. Schreiner		Benj. C. Leveridge.
15. Chemical Bank	800,000	John Q. Jones		George G. Williams		Harmon O. Tallman.
16. Citizens' Bank	400,000	Jay Jarvis		Sylvester R. Comstock		John W. Pirson.
17. City Bank	1,000,000	Moses Taylor		Benjamin Cartwright		Stephen Merrihew.
18. Continental Bank	1,979,200**	William T. Hooker	Chas. H. Marshall	Benjamin F. Warner	Edward W. Talman	Leslie Irving.
19. Corn Exchange	1,000,000	Edward W. Dunham		Frederick A. Platt		Thos. C. T. Buckley.
20. East River Bank	206,525	Charles Jenkins		William S. Carman		Francis S. Banks.
21. Fulton Bank	600,000	Joseph Kernochan		William J. Lane	B. M. Buchanan	Thaddeus H. Lane.
22. Greenwich Bank	200,000	Benj. F. Wheelwright		William Hawes		Washing. Wheelwright.
23. Grocers' Bank	240,000	Edward Willis		Samuel B. White		Augustus L. Brown.
24. Hanover Bank	1,000,000	William H. Johnson		Thomas L. Taylor		Charles Spear.
25. Importers & Traders' Bank ..	1,500,000	Lucius Hopkins	George T. Cobb	James Buell		William B. Rosa.
26. Irving Bank	800,000	John Thomson		Daniel V. H. Bertholf		Theodore Hinckley.

Banks of the City of New York.

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27. LEATHER MANUFACTURER, 1863 *	600,000	William H. Macy	Thomas R. Aoly	Jonathan S. Ely.
28. MANHATTAN COMPANY *	2,000,000	Caleb O. Halsey	James M. Morrison	John S. Harberger
29. Marine Bank	659,100**	Thomas Williams, Jr.	James C. Beach	J. R. Amerman.
30. Market Bank	1,000,000	Richard S. Williams	Robert H. Haydock	Thaddeus H. Lane.
31. Mechanics Bank	2,000,000	Shepherd Knapp	Gideon De Angella	Gardiner Spring, Jr.
32. Mechanics' Banking Assoc.	816,000	Melanch. M. Freeman	James H. Fonda	William Bloomfield
33. Mechanics & Traders'	400,000	Ephraim D. Brown	George W. Youle	George L. Walton.
34. Mercantile Bank	1,000,000	Daniel H. Arnold	El J. Blake	Charles A. Davison.
35. Merchants' Bank	2,590,875**	Augustus E. Silliman	Edwin A. Oelrichs	Theodore Hinsdale.
36. Merchants' Exchange	1,285,000	James Barnes	Edward J. Oakley	Herm. G. Westervelt
37. Metropolitan Bank	4,000,000	John Earl Williams	Henry L. Jaques	Joseph B. Varnum, Jr.
38. Nassau Bank	979,200**	Hamilt'n Blydenburgh	Augustine Smith	John Oakley.
39. National Bank	1,500,000	James Gallatin	Frederick D. Tappan	Alexander R. Rodgers
40. New York County Bank	200,000	Francis Leland	Alex. Masterton, Jr.	A. Leland.
41. N. Y. DAY DOCK COMP. BANK*	200,000	William H. Hays	Frederick T. Hayes	Archib. S. Van Duzer.
42. New York Exchange Bank	180,000	Selah Van Duzer	Daniel B. Halstead	William G. Sterling.
43. North River Bank	816,000	Levi Appgar	Arnon B. Hayes	John Hopper.
44. Ocean Bank	1,000,000	D. Randolph Martin	Parker Handy	Charles H. Dougherty
45. Oriental Bank	800,000	Joseph M. Price	Washington A. Hall	Richard C. Fellows.
46. Pacific Bank	422,700	Reuben W. Howes	Charles B. White	John Townsend, Jr.
47. Park Bank	2,000,000	Charles F. Hunter	Robert Buck	Edward P. Clarke.
48. People's Bank	412,500	Thomas Tileston	Charles A. Macy	William Vanhook.
49. Phenix Bank	1,800,000	Caleb Barstow	Godfrey W. Leake	Jefferson Coddington.
50. St. Nicholas Bank	748,000**	William Halsey	Peter M. Bryson	Benj. C. Leveridge
51. SEVENTH WARD BANK, 1863*	500,000	Andrew V. Stout	Archibald Parkhurst	Isaac Van Winkle.
52. Shoe & Leather Bank	1,500,000	William H. Falls	Alfred S. Fraser	John Drake.
53. Tradesmen's Bank	800,000	Frederick Deming	William A. Kissam	George W. Wright
54. Union Bank	1,500,000	Henry Colt	Richard Berry	
Capital, Sept. 30th, 1868, \$67,784,755.			Edward H. Arthur	

* The five Banks in SMALL CAPITALS are chartered : with the dates when their Charters will severally expire.
 ** To be further increased in 1869 and 1869.

Banks of the City of New York.

BANKS OF THE CITY OF NEW YORK.

DIVIDEND MONTHS, DISCOUNT DAYS, DIVIDENDS FOR SEVEN YEARS, AND DATE OF COMMENCEMENT OF BUSINESS.

Name of Bank.	Dividend Months.	Discount Days.	Dividends.							Commenced Business.
			1852.	1853.	1854.	1855.	1856.	1857.	1858.	
Atlantic Bank.....	Jan., July,	Tues., Frid.,	-	-	8 1/2	8 1/2	4	4	-	3 1/2 May 25, 1853.
Bank of America.....	"	Tues., Frid.,	4 4	4 4	4 4	4 4	4 4	4 4	8 1/2	June 1, 1812.
Bank of Commerce in N. Y.....	"	Tues., Frid.,	4 4	4 4	4 4	4 4	4 4	4 4	4 4	Jan. 1, 1839.
Bank of New York.....	"	Tues., Frid.,	5 5	5 5	4 4	4 4	4 4	4 4	8 1/2	June 9, 1794.
Bank of North America.....	"	Wed., Sat.,	8 1/2	8 1/2	8 1/2	8 1/2	8 1/2	8 1/2	8 1/2	Feb. 25, 1851.
Bank of Commonwealth.....	"	Tues., Frid.,	-	-	8 1/2	8 1/2	8 1/2	8 1/2	8 1/2	May 5, 1853.
Broadway Bank.....	"	Wed., Sat.,	4 4	4 4	5 5	5 5	5 5	5 5	5 5	Aug. 9, 1840.
Butchers and Drovers' Bank.....	"	Wed., Sat.,	5 5	5 5	5 5	5 5	5 5	5 5	5 5	April 8, 1830.
Chatham Bank.....	"	Wed., Sat.,	4 4	4 4	4 4	8 1/2	8 1/2	8 1/2	-	Feb. 20, 1851.
Chemical Bank.....	"	Daily.	6 6	6 6	6 6	6 6	6 6	6 6	6 6	April 1, 1824.
Continental Bank.....	"	Wed., Sat.,	-	-	4 4	4 4	4 4	4 4	8 1/2	Jan. 18, 1833.
East River Bank.....	"	Wed., Sat.,	-	-	4 4	8 1/2	8 1/2	8 1/2	-	Sept. 8, 1852.
Grocers' Bank.....	"	Wed., Sat.,	8 1/2	8 1/2	8 1/2	8 1/2	5 10	5	-	Aug. 1, 1851.
Importers and Traders' Bank.....	"	Tues., Frid.,	8 1/2	4	-	8 1/2	8 1/2	8 1/2	8 1/2	March 24, 1851.
Irving Bank.....	"	Wed., Sat.,	-	-	-	-	-	4 4	8 1/2	Dec. 10, 1855.
Market Bank.....	"	Tues., Frid.,	8 1/2	8 1/2	8 1/2	8 1/2	8 1/2	8 1/2	8 1/2	April 4, 1851.
Mechanics' Bank.....	"	Tues., Frid.,	-	-	4 4	4 4	4 4	4 4	-	Nov. 1, 1852.
Mercantile Bank.....	"	Wed., Sat.,	5 5	5 5	5 5	5 5	5 5	5 5	4 4	March 28, 1810.
Merchants' Exchange Bank.....	"	Tues., Frid.,	5 5	5 5	5 5	5 5	5 5	5 5	5 5	Dec. 28, 1849.
Metropolitan Bank.....	"	Wed., Sat.,	4 4	4 4	4 4	4 4	4 4	4 4	8 1/2	June 1, 1852.
Nassau Bank.....	"	Wed., Sat.,	4 4	4 4	4 4	4 4	4 4	4 4	4 4	April 7, 1851.
New York County Bank.....	"	Tues., Frid.,	-	-	4 4	4 4	4 4	4 4	4 4	Aug. 1, 1852.

Dividends declared in January, April, July and October. Three dividends of 6 per cent. each, declared in 1933. Charter expired January 1, 1937. Chartered Banks in small capitals, with the dates when their Charters will expire.

SAVINGS BANKS IN NEW YORK CITY.

THE Annual Reports of the several Savings Banks of this city to the Legislature were duly made in January, conformably to law. The results are very satisfactory to the community at large; showing an aggregate deposit of over thirty-six millions of dollars in sixteen institutions, by about one hundred and sixty thousand persons.

A committee was recently appointed by the Legislature to inquire into the amount of deposits that had been standing and unclaimed ten years or more in the Savings Banks of this city. The Bank for Savings in Bleecker street (formerly located in Chambers street) was established about forty years ago. The next in order was the Seamen's Bank for Savings, Wall street, and the third was the Bowery Bank; the fourth was the Greenwich Savings Bank. The aggregate deposits in these four Banks are nearly twenty-eight millions of dollars. The answers on the part of these institutions is to the effect that only \$138,000 are on deposit unclaimed for the time mentioned.

It was thought by the gentlemen who proposed the inquiry, that there must be at this time from two to six millions of dollars of unclaimed deposits; but it would probably be found, upon further inquiry, that a large portion of the \$138,000 reported, has been intentionally left for the purpose of self-accumulation. Thus, one individual deposited \$600 some twenty-six years since, and did not come to the city again till 1859, when he found that his \$600 dollars had become, by process of compound interest, eighteen hundred dollars. Other deposits, in quite large numbers, are known to have been made for minors, with a view to accumulation for a period of fifteen or twenty years. We annex a summary of the amount on deposit in ten Banks, number of depositors, and unclaimed deposits of ten years:

<i>Names.</i>	<i>Am't of Deposits Jan. 1859.</i>	<i>Depositors Jan. 1859.</i>	<i>Unclaimed Deposits of 10 years.</i>
Bank for Savings.....	\$8,701,900	47,915	\$116,883
Seamen's Bank.....	7,527,500	23,844	11,190
Bowery Savings Bank.....	7,818,000	85,392	7,017
Greenwich.....	3,603,000	15,500	3,000
Emigrant Industrial.....	1,669,000	6,686	.....
Manhattan.....	1,883,000	7,710	.....
Merchants' Clerks.....	1,509,000	6,148	.....
Dry Dock.....	1,118,000	4,508	.....
Broadway.....	862,000	3,420	.....
Irving.....	719,000	3,204	.....
Six others, estimated.....	1,300,000	5,700	.....
January, 1859.....	\$36,709,000	160,027	\$138,089
January, 1857.....	\$32,452,000	151,000	.....

The Bank for Savings, formerly in Chambers street, now in Bleecker street, has been in operation about forty years. The Seamen's Bank about thirty. It will be seen that the aggregate unclaimed deposits of ten years

standing, are less than one hundred and forty thousand dollars in all the Savings Banks. The owners of large portions of these would probably soon make themselves known if any law to remove the deposits was passed. The average amount on deposit by the 160,000 depositors is \$236.

The whole statement is a favorable one, indicative of economy and industry on the part of the masses. It would appear that one out of every five persons in the city is a depositor, and thus the accumulated savings of the whole are equivalent to about forty-five dollars for each person in the city.

The "Institution for the Savings of Merchants' Clerks," was chartered in the year 1848. Its deposits are not confined to merchants' Clerks, but include those of all trades and occupations. The deposits amount to \$1,509,889, while its assets are \$1,569,412, showing a surplus of about \$60,000. This is one among the many noble institutions of the city which claim the consideration of all classes, and in this case particularly of young men. Savings Banks have a tendency to promote industry and economy. Their real property and funds should be free from taxation—a very slight bounty to confer upon institutions whose influences are beneficial, wide and permanent. Of this Bank the investments are—in

New York City Stocks.....	\$262,000
Ohio State Stocks.....	204,000
Tennessee State Stocks.....	50,000
Indiana State Stocks.....	118,000
Bonds and Mortgages.....	727,000
Real Estate.....	64,000
Cash, &c.....	144,000
Total.....	<u>\$1,569,000</u>

According to the by-laws of the Merchants' Clerks Savings Bank, the Trustees receive no pay or emolument whatever, and are restricted from any use of the funds of the Institution. No investments are made except in public stocks of the most approved character, and upon bond and mortgage, on improved real estate, in the cities of New York and Brooklyn, worth double the amount loaned. Interest uncalled for is added to the principal each six months, and draws interest the same as an original deposit. Married women, under the present laws, can deposit money in their own names, and have control of it. No President, Vice President, or Trustee shall receive, directly or indirectly, any pay or emolument for his services. The Bank is not liable to pay any moneys to depositors, except on a week's previous notice at the Bank, nor except on the third Mondays in January, April, July, and October; but moneys may be voluntarily paid by the Bank daily, and without such notice, and without thereby waiving the right of the Bank to such notice and time of payment. We think this might be amended by claiming at least thirty days' notice on sums under \$100, and fifty days' notice on larger sums, before withdrawal. In case of a sudden revulsion, as in 1857, the Bank would thus secure ample time to convert its means into cash. It is provided, however, that all notices in relation to the deposits or depositors, published by the Trustees, in one or more of the city newspapers, six days successively, shall be deemed and taken as actual notice to each depositor.

The following is a convenient table for reference showing accumulations for short and long periods:

Savings Banks in New York City.

[March,

One Dollar a week Deposited, will amount as follows:

1 year to.....	\$53 16	4 years to	\$232 77
2 years to.....	109 53	5 years to.....	300 06
3 years to.....	169 32	10 years to.....	690 94

Fifty Dollars left in Deposit, amounts

1 year to.....	\$53 03	4 years to.....	\$63 23
2 years to.....	56 24	5 years to.....	67 07
3 years to.....	59 63	10 years to.....	92 02

Ten Dollars Deposited each Month, amounts

1 year to.....	\$123 30	4 years to.....	\$549 09
2 years to.....	254 10	5 years to.....	696 30
3 years to.....	392 88	6 years to.....	861 99
In 10 years to.....	\$1,602 00		

One Hundred dollars left in Deposit, will amount

5 years to.....	\$184 26	10 years to.....	\$180 31
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REPORT OF THE BANK FOR SAVINGS.

BANK FOR SAVINGS, New York, February 2d, 1859.

To the Honorable Messrs. OPDYKE, LAW and POND,

A Committee of the House of Assembly in reference to Savings Banks.

In compliance with the requirements of the resolution of the Assembly, the Bank for Savings begs leave to Report:

That there are no unclaimed deposits in this Bank, made before or since 1849, to the knowledge or belief of the Trustees, and it further reports, that the amount now held by this Bank, of deposits, with interest added, made prior to 1st January, 1849, and not acted on since that period, of which the depositors or their legal representatives may not be generally known by the Trustees or Officers to be now living, is found, after a careful examination, to be \$116,882 02—one hundred and sixteen thousand eight hundred and eighty-two dollars—divided among 1,222 depositors, after the forty years' existence of this Institution, and its dealings, during that time, with two hundred and four thousand depositors, and receiving from them fifty-one millions of dollars. The Bank respectfully represents that the depositors, as a body, are not likely, in the nature of things, to be individually known to the Trustees or Officers. Still, there are found among the old standing accounts the familiar names of Robert Minturn, R. Irwin, J. J. Boyd, &c. A few accounts of long standing and of larger amounts than ordinary, are known to be claimed by parties who are unwilling to hazard their money elsewhere. And accounts of twenty and thirty years' standing are continually being presented for adjustment and payment, while an examination of the list of the 1,222 names just made out, proves that many of the depositors are known to the Trustees, and it is believed that a notice to that effect would bring nearly all the pass-books to the Bank in evidence of their existence.

The fact that the interest is carried half yearly to the credit of depositors, as principal, prevents the necessity of sending their pass-books to

be written up; and hence the number of accounts that appear in the category of "not being acted on."

When depositors die, some connection or friend is likely to be aware of their having money in a Savings Bank; and sooner or later such deposits are claimed by creditors, relatives, and heirs, or by the public administrator; this functionary claiming and receiving, from this source, some \$5,000 annually from this Bank.

One of the ends and objects of a Bank for Savings is, that it should prove an asylum for the widow and orphan, the aged and infirm, who, although their portion may be but small, have placed their all, to remain as a sacred trust against the hour of need, in a depository chartered by the State, as they supposed, for their use and benefit. Shall such as these, when asking for their money to meet a sudden and pressing emergency, be compelled to find that the law has removed their scanty store, directing them "to make good their claim with the Comptroller?"

Leaving out of view the individual injury, if not cruelty, that would thus be inflicted, and apart from any question of general expediency or constitutional right, could it be expected, after a notification to the depositors, of the passage of a legislative act removing their deposits, that any of these accounts would be suffered to remain to abide the operation of such a law?

Respectfully submitted.

NAJAH TAYLOR, *President.*

JAMES DE PEYSTER OGDEN, *Secretary.*

REPORT OF THE BOWERY SAVINGS BANK.

TO MESSRS. OPDYKE, LAW AND POND,

Members of the Special Committee appointed by the House, under a Resolution of Inquiry in reference to Unclaimed Deposits remaining in Savings Banks and other Institutions, previous to the year 1849.

The President and Secretary of the Bowery Savings Bank

Respectfully Report:

That agreeably to the requisition of the Committee, they directed a search to be made of the ledgers containing all the deposits made in the Institution from the year 1834 to the year 1849, a period of fifteen years, and find remaining of Deposits, for which no formal claims have been made, the sum of *Seven Thousand and seventeen 74-100 Dollars.*

While some of the depositors of the above amount are known to the Officers, they entertain no doubt, that if notice should be served on the others, there would not remain, within the period of a week, *One Thousand Dollars*, for which no ownership could be established. The Officers would take the liberty of remarking, that the amount here reported is much smaller than might be expected, from the nature and design of Institutions for Savings. The charters of these Institutions define no period in which depositors may not make claims for their deposits, while at the same time they are induced to permit such deposits to remain for a long period, because the interest upon them is constantly accumulating in a compound ratio. Indeed, at the very outset of opening accounts in a Savings Bank,

depositors frequently intend that the transaction shall be a protracted one, such deposits being made for children or families, or for the benefit of minor heirs. Instances have frequently taken place in this Institution, of books having been presented, for balancing or settlement, which were of long standing, in some cases more than twenty years, and in which the accumulation of interest largely exceeded the principal on deposit.

The officers are well aware that misconceptions have heretofore existed in the Legislature on this subject, but they had supposed them to be very limited. And when assertions were made on the floor of the Senate, and for several years reiterated, that more than 20,000,000 dollars were locked up in Savings Banks, for which no claimants could be found, it was supposed that the very exaggeration would have carried with it its own antidote. But when, during the present session, it was found that such impressions (though not to the same extent) existed in the minds of many of the members, that large unclaimed deposits were lying in the vaults of this and similar institutions, and when the honorable Speaker of the House, with other members of large legislative experience, expressed similar views, the officers and trustees of this Institution were anxious that a full revelation should be made, and they were much gratified when the House moved in the matter, by the passage of a Resolution and the appointment of a Committee.

The officers would take the liberty further to remark to the honorable Committee, that Institutions for Savings, being the creatures of the Legislature, originated for wise and beneficent purposes, no objection should ever be made by them, to any legislative action with a view to salutary supervision, and if necessary, appropriate restraints. Institutions, such as are Savings Banks, benevolent in their character, and benignant in their operation, cannot be too well guarded, nor can their managers be men of too high integrity.

The officers of this Institution are gratified in the consciousness that the government of our Savings Banks is generally sound throughout the State, and will remain so, unless they should be made in anywise tributary to private interests, or be created as the mere adjuncts of moneyed institutions.

In reference to the disposition that should be made of unclaimed deposits, (which means deposits for which no owner, after diligent search, can be found,) the officers would express no opinion, as the wisdom of the Legislature will doubtless be equal to such emergency, should it occur. In such event, they will be called upon to decide whether unclaimed deposits should, like forfeited lands, escheat to the State, under its title of eminent domain, or whether they will direct them to be paid to the cities or towns where Savings Banks are located, as some indemnity for the exemption from taxation which these Institutions have enjoyed by the liberal policy which has been pursued towards them; but the officers in conclusion would say, that they have no idea that either the State, or the towns or cities, will ever find the question of sufficient importance, as a financial question, to engage their serious attention.

THOMAS JEREMIAH, *President.*

GILES H. COGGESHALL, *Secretary.*

NEW YORK, January 27, 1859.

STATE FINANCES.

I. GEORGIA.—II. MISSOURI.—III. PENNSYLVANIA.—IV. WISCONSIN.
—V. ILLINOIS.—VI. MARYLAND.—VII. MISSISSIPPI.

I.—GEORGIA.

Georgia Six per Cents., of which few come to this market, are quoted at 101 & 102. The debt of the State now amounts to \$2,630,500, which will be increased to \$3,530,500, (unless before reduced,) when the remainder (\$900,000) of the bonds for the subscription to the Atlantic and Gulf Railroad are issued. The following will show the character and the amounts of the various bonds, and when due, viz.:

Due in 1859, 7 per cent. Central Bank Bonds,.....	\$45,000
“ 1860, 7 “ “	40,000
“ 1861, 7 “ “	10,000
“ 1862, 7 “ “	22,500
“ 1863, 7 “ “	48,500
“ 1864, 7 “ “	75,000
Other State Bonds for Railroads, &c.	
Due in 1860, 7 per cent.	100,000
“ 1862, 6 “	20,000
“ 1863, 6 “	62,500
“ 1865, 6 “	47,500
“ 1868, 6 “	216,500
“ 1869, 5 “ sterling bonds,.....	72,000
“ 1869, 6 “	288,500
“ 1870, 6 “	153,500
“ 1871, 7 “	162,250
“ 1872, 6 “	104,750
“ 1872, 6 “	625,500
“ 1873, 6 “	180,000
“ 1874, 7 “	181,500
“ 1874, 6 “	80,000
“ 1878, 6 “ for A. & G. R. R.....	100,000
	\$2,630,500
To be issued, payable 20 years after date.....	900,000
	\$3,530,500

The revenue of the State of Georgia for the past fiscal year was \$763,000, of which \$206,000 was from railroad dividends and tax; \$29,000 from bank tax.

II.—MISSOURI.

Valuation of Missouri.—The report of the auditor exhibits a gratifying state of the public finances. From his tables we obtain the following figures:

VALUATIONS IN 1857.

Land.....	\$124,747,780 08
Town lots.....	64,875,933 00
Slaves.....	41,655,308 00
Personal property.....	81,187,291 81
Valuation of money, bonds, &c.....	26,018,470 00
	<u>\$287,980,082 89</u>

VALUATIONS IN 1858.

Land, including lots in St. Louis.....	\$221,605,766 94
Town lots.....	14,287,025 00
Slaves.....	45,090,028 00
Personal property.....	89,072,378 88
Valuation of money, notes, bonds, &c.....	85,556,880 00
	<u>\$355,621,573 27</u>

Thus showing an increase in the valuations of 1858 over those of 1857, of \$67,641,540 89. We understand further that the increase in the revenue to the State amounts to over 93 per cent., being largely in advance of the estimates of the auditor in his annual report to the last Legislature.

III.—PENNSYLVANIA.

The condition of the finances of other States is a matter of much importance to our city, especially those that are heavily encumbered with debt, and whose bonds are held to the extent of millions by our capitalists. The Governor of Pennsylvania makes the following statement in his annual address.

The funded and unfunded debt of the Commonwealth on the 1st day of December, 1857 and 1858, was as follows :

FUNDED DEBT.

	1857.	1858.
6 per cent. loan.....	\$445,180	\$445,180
5 per cent. loan.....	88,778,212	88,420,905
4½ per cent. loan.....	828,200	888,200
4 per cent. loan.....	100,000	100,000
To this should be added 5 per cent. coupon bonds sold by Girard Bank, not before reported.....	28,000	....
Total Funded Debt.....	<u>\$39,784,692</u>	<u>\$39,854,288</u>

UNFUNDED DEBT.

Relief notes outstanding.....	\$146,421	\$105,850
Interest certificates outstanding.....	23,478	23,857
Interest certificates unclaimed.....	4,448	4,448
Domestic creditors.....	802	802
Total Unfunded Debt.....	<u>\$175,145</u>	<u>\$188,958</u>

To meet this, besides the ordinary resources of public revenue, the State owns bonds received from the sale of the public works, well secured, amounting to \$11,181,000. Deducting this from the outstanding debt, it leaves to be otherwise provided for the sum of \$28,687,111.

Sales were made by the Sunbury and Erie Railroad Company under the oath of the presidents of the different lines, as follows :

The Upper and Lower North Branch Canal to the North Branch Canal Company, for.....	\$1,600,000
The West Branch and Susquehanna Divisions to West Branch and Susquehanna Canal Company, for.....	500,000
The Delaware Division, to the Delaware Division Canal Company of Pennsylvania, for.....	1,775,000
In all, the sum of.....	<u>\$3,875,000</u>

IV.—WISCONSIN.

Propositions have been made by certain railroad parties in Wisconsin to induce the people of that State to amend the constitution, so as to secure the guarantee of the State to the present city, county and town mortgage bonds issued to various railroad companies. These bonds now amount to \$7,265,000.

The people of Wisconsin, in the framing of their constitution, properly inserted a clause to secure a narrow limit to State liability. Article 8, section 3, of the Constitution of Wisconsin, says that "the credit of the State shall never be given or loaned in aid of any individual association or corporation;" and section 6 of the same article says, that "the public debts shall never in the aggregate exceed one hundred thousand dollars," and these must be paid within five years after they are made. All will admit that these are wise provisions, and that they were intended to remain permanently in the constitution; but if the people wish it, they can of course annul any portion of that instrument.

The new scheme then proposes to amend the constitution, so that the public debt may be slightly enlarged to several millions of dollars, perhaps eight or ten millions, and the State is to assume that amount of corporate and private indebtedness, and issue bonds to pay this debt with, and leave the bonds for some future generation to pay.

We think the people will, if the matter be submitted to them, refuse to make this large debt a part of their liability. It would be too heavy a sum for a young State to assume thus suddenly.

V.—ILLINOIS.

The improving reputation of Illinois State securities in this market has been quite marked during the past year or two. In 1857 the State was able to pay its annual interest in full on all its indebtedness. This it had not been able to do during the whole of the ten years which had elapsed since issuing its new bonds in 1847, and hence there was a sum of back interest unprovided for. An act was therefore passed in 1857, directing bonds to be issued for the interest which had accrued between the years 1847 and 1857; these bonds were not to bear interest till January 1, 1860, but at that date they were deemed to be principal, and bear 6 per cent. interest.

There are three kinds of State indebtedness for which "internal improvement bonds" have been issued—the first class, for principal, redeemable in 1870; the second, for interest which accrued prior to July 1, 1847,

and which become due July 1, 1877; and the third, for interest which accrued between 1847 and 1857, and which are redeemable at the pleasure of the State after January 1, 1860.

The whole debt has been provided for under an amendment of the constitution by the levy of a two mill tax which is irrepealable by the legislature, to be applied in payment exclusively on the 1st of January of each year of the principal, until totally extinguished.

By law the proceeds of certain State lands were to be applied to the same end; and subsequently, seven per cent. of the gross earnings of the Illinois Central Railroad was ordered to be applied to the payment of that same kind of indebtedness.

The internal improvement bonds now command 103 *a* 104, the holders of which will, of course, no longer continue to present them for payment. There will be about \$800,000 in the treasury, on the 1st of January, applicable to the payment of the principal.

An act was passed in February, 1857, directing that these surplus funds should be used in purchasing any of the outstanding bonds, which explains why the holders of bonds that bear no interest until January 1, 1860, ask 93 *a* 94 for them. In January next the best the State can do will be to discount them at 94. For one year thereafter the interest bonds of 1860 can be presented at the treasury and claim payment at par. Thus, as a clause in the constitution prohibits the legislature from creating additional State debt, the bondholders and State will continue to be in direct competition in the market.

VI.—MARYLAND.

The report of the Comptroller to the Governor for the year ending 30th September, 1858, exhibits a condition of the State Treasury which must be as gratifying to her tax-paying citizens, as it is satisfactory and assuring to the holders of her bonds. These are so favorably regarded, and so closely held as sound and safe investments, that the Comptroller reports a difficulty in obtaining them for the sinking fund, and the State finds it not easy to dispose of her surplus income. Surely, if good government means ready payment of bills, plenty at home, and a provision against adverse times, we may boast of it in this State under the present conduct of its affairs. And we feel this the more, since our national matters present such a different aspect. While Maryland, under good guidance, has an overflowing treasury, the national democracy confesses to empty pockets—a threatened stoppage of pay, as once before under the same auspices—and is begging a little temporary relief from the money lenders, from day to day, to meet daily wants. While the Comptroller of Maryland says it is hard to find her bonds in the market, notwithstanding very liberal offers, the treasury of the United States is issuing treasury notes and other makeshifts and contrivances, as democratic representatives of gold and silver. This pleasant condition of money matters with the State, added to the cheering prospects of the city finances, due to the excellent reforms inaugurated and continued by the present mayor of Baltimore, certainly ought to give assurance that there is safety in conservative administration; and even lead persons to suspect that the party calling itself democratic is possibly not the only one deserving the confidence of those who have real interests at stake in good government. The value of the assessed property in Maryland is shown to

be \$255,447,588, upon which a State tax of 10 cents on the hundred dollars is levied. The receipts from internal improvements foot up to \$172,873.

The following table shows the total receipts into the treasury, in the fiscal year ended 30th September, 1858, to have been \$1,019,228; which, added to the balance in the treasury, as of 30th of September, 1857, will make the aggregate in the treasury, during the fiscal year, \$1,737,706, viz :

From auction duties,.....	\$14,121 73
Auctioneers' licenses,.....	6,950 00
Baltimore and Ohio Railroad, for one-fifth of receipts from passengers on Washington Branch Road, on account,.....	34,396 02
Baltimore and Ohio Railroad, for interest on sterling bonds, converted,.....	80,552 50
Baltimore and Ohio Railroad, for interest on dividend bond, No. 141,.....	600 00
Bank stocks for dividends,.....	37,766 36
Excess of fees over and above the sum limited by the Constitution, and under ch. 443, of 1853,.....	1,643 33
Fines and forfeitures,.....	3,447 84
Direct taxes,.....	245,215 99
Hay scales in Baltimore,.....	737 12
Interest on personal accounts,.....	4,954 50
Live stock scales in Baltimore,.....	7,516 70
The land office,.....	1,199 87
Licenses to agents of foreign corporations,.....	8,300 00
Licenses from clerks of courts,.....	264,735 06
Maryland consolidated lotteries,.....	51,000 00
Northern Central Railway Company,.....	90,000 00
Road stock, for dividends,.....	50,285 00
Susquehanna and Tide Water Canal Companies, on account of interest,.....	17,325 00
State tobacco warehouses in Baltimore,.....	27,433 87
State wharves in Baltimore,.....	3,386 08
Special appropriations (a re-payment),.....	26 99
Executive contingent fund (a repayment),.....	9 00
Tax on incorporated institutions,.....	17,369 33
Tax on protests,.....	8,328 00
Tax on policies of insurance,.....	49 00
Tax on foreign insurance,.....	133 67
Tax on commissioners of trustees and receivers,.....	4,745 02
Tax on commissioners to executors and administrators,.....	39,247 48
Tax on collateral inheritances,.....	15,059 48
Tax on stamps and stamp duties,.....	126 80
Taxes in Chancery,.....	7 00
Tax on plaintiffs,.....	2,713 23
Tax on civil commissions,.....	6,124 51
Tax on State and other stocks,.....	21,208 29
The great seal of the State,.....	46 00
Grain inspections in Baltimore,.....	2,441 22
Keeper of records in Chancery,.....	101 19
	<hr/>
	\$1,019,228 95
Balance, 30th September, 1857,.....	718,477 32
Making an aggregate of.....	<hr/>
	\$1,737,706 27

VII.—MISSISSIPPI.

We copy from the Jackson *Mississippian*, of the 11th January, an editorial paragraph on the recent payment of certain coupons of the Planters' Bank bonds. It is certainly curious (?) that "the amount in the Treasury to the credit of the Sinking Fund was precisely equal to the demand upon it."

Upon application to the Auditor of Public Accounts, by European holders of Planters' Bank Bonds, through their agent Mr. Goodman, for a warrant on the Treasury, to be paid out of money to the credit of the Sinking Fund, in payment of coupons of interest, amounting to \$101,500, the Auditor presented the case to the Attorney-General, who after due investigation, submitted his written opinion, advising the issuance of warrants in accordance with the application.

The amount to the credit of the Sinking Fund, in the Treasury, was precisely the sum for which warrants were issued upon this demand.

The original act of incorporating the Planters' Bank, authorized the Governor to subscribe for ten thousand shares of stock to be paid for in bonds bearing five per cent. interest, and provided also "that the President and Directors of the Bank shall deduct from the semi-annual dividends, such proportion of the accruing dividends upon the stock subscribed for the State, as shall be sufficient to pay the semi-annual interest which may become due upon the aforesaid bonds of the State, and that the surplus of such funds shall constitute a sinking fund for the redemption of said Bonds." The supplement to the original charter pledged "the stocks of the State in the bank for the payment" of the bonds authorized to be issued by said supplemental act. By a law of 1848, it was declared that "the amount of the sinking fund now in the Treasury, and whatever may hereafter come into the Treasury belonging to said fund, be, and the same is hereby appropriated to the payment of the coupons for interest issued by the State on account of the Planters' Bank." It is under this law appropriating the Sinking Fund that the Auditor is required to issue his warrant.

The question was adjudicated by the High Court of Errors and Appeals, at the October term, 1852, in the case of *Swan vs. Wilson*, as shown by the Attorney-General in his official note to the Auditor.

It is proper to mention that the opinion of the Attorney-General as to the duty of the Auditor under the act of 1848, in no manner touches or affects the question of the legality or constitutionality of the Bonds issued for stock in the Planters' Bank. The Sinking Fund, as before explained, is the fund which accrued from the dividends upon the stock subscribed by the State, and for which bonds were issued. It will be borne in mind that it is one thing to construe the acts prescribing the duties of the Auditor, and the laws appropriating this special fund; but it is quite another to decide the question of the constitutionality of the Bonds and the obligations of the people to pay them. The determination of that question, like all other issues involving taxation, belongs to the grand inquest of the sovereign State—the people themselves."

Opinion of the Attorney-General of Mississippi.

ATTORNEY-GENERAL'S OFFICE, Jackson, Nov. 27, 1858.

HON. MADISON MCAFEE, Auditor, &c. :

Sir :—You inform me that application has been made to you for a warrant on the Treasurer, to be paid out of money standing to the credit of the Sinking Fund, for and on account of the coupons for interest on the class of Planters' Bank bonds first maturing with coupons attached. You further inform me that the bonds, with the coupons attached, were presented to you by the holder thereof, at the time said demand was made, and that you have declined to issue the warrant until you have my official advice in the premises.

I have been previously consulted by the Treasurer of the State, to whom application was made, in the first instance, for payment,—the holders not having a warrant from the Auditor of public accounts. I advised him that such a warrant was requisite. The act of 1833 provides that "it shall not be lawful for the Treasurer to pay, or receive any money, on account of the State, but on the warrant, or certificate from the Auditor of Public Accounts, unless in a case where any future act of the Legislature shall in express words, and not by implication, inference, or construction only, declare that, in that particular case, it is to be understood as the intention of the Legislature, that the claim specified by such act shall not be audited in the regular course." The demand upon the Treasurer was made under and by virtue of the act of 1848, which provides for the payment of coupons for interest issued by the State on account of the Planters' Bank—and appropriates the amount of the sinking fund in the Treasury, at the date of the passage of said act, and whatever amount should thereafter come into the Treasury belonging to said fund, "to the payment of the coupons for interest issued by the State on account of the Planters' Bank." It was further provided by said act, that said coupons should be paid from said fund "according to their priority of majority," and that said coupons should only be paid when, at the time of being presented, they should be attached to the bonds and cut from them by the Treasurer.

As that act fails to provide "in express words," that the payment should be made by the Treasurer without warrant from the Auditor, I advised him not to comply with the demand.

It is apparent to me that said act is intended to be directory to the Treasurer, and that it was an oversight in the Legislature not to have dispensed "in express words," with a warrant. I arrive at that conclusion by "implication, inference of construction only"—to employ the language of said act of 1833, but that is the very thing reprobated, and to prevent which the act of 1833, before noticed, was adopted.

If I am right in assuming that said act of 1848 is *directory to the Treasurer only*, and that the Legislature, in passing it, contemplated that such payments were to be made without warrants, yet by the oversight aforesaid, they failed so to provide in "express words"—the question would then arise, whether under the general laws regulating the duties of your office, you would not be authorized and required to issue the warrant now demanded. The point presented above upon the construction of the acts of 1833 and 1848 is a strictly *technical one*. I have suggested it for your consideration,

that you may determine, under the circumstances—looking to the magnitude of the interests involved—whether it is not a proper subject for the adjudication of the courts. Seeking to avoid no responsibility in that, or any other feature of the subject—I do not hesitate to give it as my opinion that, independent of the above acts, it would be your duty to issue the warrants demanded. The Legislature, having made a specific appropriation of all sums in the Treasury to the credit of the sinking fund to the payment of said coupons, it was quite unnecessary to have provided that such payments should only be made on warrants issued by the Auditor.

If the question admitted of doubt—if indeed it had not been expressly adjudicated already by the High Court of Errors and Appeals—I should advise you, if your mind was not fully satisfied, to refuse to issue the warrants, and leave the holders of said coupons to their legal remedy.

In the case of *Wilson vs. Griffith*, Treasurer, 24 Miss. R. 468—that court held that said act of 1848 “did not expressly declare that the Treasurer of the State should make payment out of said fund, without a warrant from the Auditor of Public Accounts,” that by the act of 1833 “it is made unlawful for the Treasurer to pay or receive any money on account of the State, but on a warrant certified by the Auditor, unless the Legislature shall expressly declare in the particular case that the claim shall not be audited—that this act is continued in force by the act of 1844. and the Treasurer was justified in refusing to pay the coupon without the warrant of the Auditor—and that the court below did not err in refusing the application for a mandamus against the Treasurer.”

In the case of *Swann*, Auditor, against *Wilson*—reported in the same volume—the court say, “a portion of the bonds authorized by the last act were issued with coupons of interest attached thereto; and the petitioner for the mandamus in the case is the acknowledged owner of one of the bonds with the coupons for interest.” And again, “the act of March 4th, 1848, expressly appropriated it to the coupons of interest on the bonds issued on account of the Bank according to the priority of the coupons maturing or falling due.” And again, “it appears from the petition and return, that none (meaning the coupons) matured and remained unpaid prior to March, 1841; and we think for that ‘coupon’ the petitioner is entitled to a warrant from the Auditor. With reference to the coupon maturing in September, nothing is said in the petition or admitted in the answer. It may be that there are ‘coupons’ unpaid for interest falling due in March outstanding, which would absorb the whole of the ‘sinking fund’ in the Treasury; and if so, they would be entitled to priority of payment before the ‘coupons’ maturing in September 1841.” * * * “as the judgment of the Circuit Court directed a mandamus to issue for a warrant for both ‘coupons,’ that judgment must be reversed, and a judgment rendered in this court for a mandamus in accordance with the views expressed in this opinion.”

It will be thus seen that the very question under examination has been expressly adjudicated before the High Court.

The said act of 1848, at last, is but declaratory of pre-existing acts upon the same subject. By the whole course of legislation, the sinking fund, from its origin to the present time, has been dedicated to the purposes declared by the act of 1848.

Very respectfully,
T. J. WHARTON, Attorney General.

FOREIGN BANK STATISTICS.

I. LONDON.—II. GLASGOW.—III. MONTEVIDEO.

I.—LONDON AND WESTMINSTER BANK.

A MEETING of the proprietors of the London and Westminster Bank took place January 19th, Alderman Salomons in the chair, when the report was adopted unanimously, and a dividend and bonus declared of 9 per cent. for the past half year, making, with the 8 per cent. paid in July, a total distribution of 17 per cent. for the year 1858. In common with other establishments, the bank has experienced withdrawals of deposits consequent on the low rate of interest, the falling off representing a sum of nearly 2,000,000*l.* On the other hand, the current accounts and general business have largely augmented. In accordance with the expressed views of the proprietors, the reserve fund continues to be increased. The expectation that the suspended bills of more than 50,000*l.*, standing over from the previous year, would be liquidated, has been so far fulfilled that the account now stands at about 2,000*l.* only. The directors have therefore appropriated the 10 000*l.* which had been set aside to meet any loss on this item to the reserve. In answer to questions it was mentioned that the sums written off for bank premises are more than ample, that the alterations of the chief office have all been paid for, and that in different degrees each of the branches yields a profit. An inquiry having been made as to the views of the board with regard to registration under limited liability, it was stated that the directors have not officially entered upon the question, and that there are several difficulties in the way of changing an old and long-constituted bank from unlimited to limited liability, while the alteration might also tend to weaken their credit. The matter, however, will receive full consideration. Annexed is an abstract of the report and accounts:—

“The directors have the pleasure to report that, after making provision for all bad and doubtful debts, paying the income-tax, setting apart the sum of 2,000*l.* towards the new buildings in Westminster, Bloomsbury, Southwark, and Temple-bar, and presenting a gratuity of 10 per cent. on their salaries to all the officers of the establishment, the net profits of the bank for the last half year amount to 86,350*l.* This sum, added to 9,853*l.*, the unappropriated balance of the preceding half year, and to 10,000*l.*, the fund especially reserved in December, 1857, but which has not been required, will amount to 106,203*l.* Out of this amount the directors have paid the interest on the surplus fund at 5 per cent., and they now declare a dividend at that rate of 6 per cent. per annum, and a bonus of 6 per cent. on the paid-up capital, leaving an unappropriated balance of 12,073*l.*, of which the sum of 2,073*l.* will be added to the surplus fund, according to the vote of the general meeting passed in July, 1857; and the directors recommend that the remaining 10,000*l.*, forming the special fund set apart in December, 1857, be also added to the same fund; this fund will then amount to 181,407*l.*

LONDON AND WESTMINSTER BANK.

<i>Dr.</i>		£	s.	d.
To proprietors for paid-up capital.....		1,000,000	0	0
To amount due by the bank on deposits, circular notes, &c.		11,465,815	7	7
To rest or surplus fund.....		165,204	9	8
To balance of profit and loss account, June 30, 1858...		9,852	18	1
To fund specially reserved, Dec. 31, 1857.....		10,000	0	0
To net profits of the past half year.		86,350	10	1
		£12,737,223		
		5	5	
<i>Cr.</i>		£	s.	d.
By Government Stock, Exchequer Bills, Exchequer Bonds, and India Bonds.....		1,788,767	8	1
By other securities, including bills discounted, loans to customers, &c.....		10,092,867	11	9
By cash in hand.....		855,588	10	7
		£12,737,223		
		5	5	

II.—THE WESTERN BANK OF SCOTLAND.

The failure of this concern, the wide-spread distress it caused, and the atrocious management which led to the disaster, are now well-established facts in the commercial history of Britain, and we need not dwell on them. But the following letter to the late Lord Sydenham, then Mr. C. P. Thompson, President of the Board of Trade, by four managers of Edinburgh Banks, contains a prediction and facts relative to the Scottish system of banking, which give it great interest now :—

To the Right Hon. C. P. Thompson, President of the Board of Trade.

EDINBURGH, Aug. 18, 1838.

SIR,—An application having been made by a Banking Company, called the Western Bank of Scotland, established at Glasgow, for a grant of letters patent, we beg to submit to you that, under the circumstances now to be stated, no such privileges ought to be granted.

It is with great regret that we find ourselves called upon to take this step, but we should be wanting in our duty to the public, as well as to our constituents, if we sanction by our silence the application in question.

The fact is well known to you, that while there have occurred during the past fifty years, periodical convulsions among the Banks in England, which have led to the failure of several hundreds, Scotland has, for the most part, maintained a state of general tranquillity, and there have, in the same time, occurred only three or four failures, and those of a very minor character. The cause of this is notoriously owing first to the large capital employed in Scottish banks; and, second, to the system of administration adopted. Capital alone, as has recently been experienced in England, by extending the scale of operations, may only increase the mischief. In the like manner a numerous proprietary, constituting a protection to the public against eventual loss, may, by adding to the credit, add to the power of such an institution for evil. The safeguard of the Scotch system has been the uniform practice adopted, of retaining a large portion of the capital and deposits invested in Government securities, capable of being converted into

money at all times and under all circumstances. This requires a sacrifice, because the rate of interest is small, and in times of difficulty the sale involves a loss, but it has given the Scotch banks absolute security, and enabled them to pass unhurt through periods of great discredit.

It is not then unreasonable that the managers of Scotch banks should look with favor on a system which, notwithstanding their close connection with England, has exempted them from these calamities; and in the doubt that exists on banking theories elsewhere, it is at this moment sufficient to say that the system established in Scotland has worked well, and ought not to be disturbed there.

The Western Bank was established in the year 1832, and the principle on which it has avowedly acted has been to employ as much as possible of its capital and assets in discounts and loans, retaining only the cash necessary to meet current engagements.

As this is a more profitable investment than Government securities, there is always a strong temptation to speculative or inexperienced persons to adopt this course, and if the consequences were to affect themselves alone, it would be of small moment; but unfortunately in banking this cannot be. The whole system depends upon credit, and the failure of an ill-regulated establishment affects those differently constituted. Such a body in prosperous times boldly extends its business, and seeing the readiness with which in such seasons, commercial paper is discounted, comes to the conclusion that it is the best and most convertible description of investment that can be found.

Prudent banks, knowing the delusive nature of this expectation, are compelled to increase their own reserve to meet the consequences of this unwise expansion, and when the difficulty comes they must either assist their rival to prevent an explosion, or they must make a heavy sacrifice by selling their securities at a loss.

The Western Bank, acting on this principle, allowed their London transactions to assume such an irregular shape that their London agents, the respectable house of Jones, Lloyd & Co., took alarm, and in the year 1834 dishonored their drafts. The Bank of Scotland, Royal Bank, and British Linen Company, were compelled to come to their assistance, and made them considerable advances. These circumstances occurring at a time when the money market was perfectly tranquil, showed the extreme danger of the practice. The Edinburgh banks insisted on a better state of management being adopted, and that the Western Bank should have invested in Government securities a sum amply sufficient to meet emergencies. The directors, after much discussion, at length, by a resolution, dated 30th October, 1834, [the copy of which is annexed,] distinctly assented to the requisition; but as they had so engaged the assets of the Bank as to render it impossible immediately to procure the funds, the Edinburgh banks lent them £100,000 for the purpose. For some time the Western Bank may have acted on this agreement, but the temptation of profit appears to have got the better of their prudence, and they now repudiate their engagement.

It will be quite apparent that a bank which can employ its whole funds in this manner is enabled either to divide a larger share of profits than its competitors, or to do business on more favorable terms; and we repeat, that if the only consequence of this was to increase or diminish the dividends of the rival establishments, it would be of comparatively small im-

portance, but in its results it endangers the existence of every bank in the country, and the fortunes of a large portion of the community. We feel that, if letters patent shall be granted to this bank after what has passed, it will be a public sanction and continuance of a new and mischievous principle opposed to the banking system of Scotland.

The question is not, in this instance, whether Government will interpose new restraints on banking companies, but whether they will encourage a violation of the old system by granting distinction and privileges to a company which, having pledged itself to their observance, now disavows them in its practice, and, under these circumstances, applies for a charter.

We have, &c.,

For the Bank of Scotland, *Alexander Blair*. For the British Linen Company, *Thomas Corrie*. For the Commercial Bank of Scotland, *Robert Paul*. For the National Bank, *George Crossbie*.

III.—MONTEVIDEO.

The following mercantile letter from Montevideo gives particulars of the banking movements in that Republic, together with some remarks on the general policy of Great Britain in the River Plate:—

"I have on more than one occasion alluded to a joint-stock bank which some French capitalists were desirous of establishing here with certain privileges, which, although granted by the Legislature of the Republic, was from time to time, under various pretences, at the request of the projectors, delayed. At the late session they asked for a further extension of time, but it was refused; and if they now wish to establish a bank it must be on equal terms with other parties. Had these French capitalists at once gone to work they might ere this have realized 50 per cent. of their paid-up capital, if not larger than the place required. The Commercial Bank was established here about nine months ago, with a nominal capital of \$2,000,000, divided into 4,000 shares of \$500 each. Until, however, a Legislative Act was procured incorporating the company—and that has just been obtained—only 1,482 shares were taken by a few individuals, on which 50 per cent. has been paid. At the end of March last, when the first six months had expired, a dividend of 7 per cent. for that period was declared, and a small sum allowed for the gradual extinction of the cost of materials, &c., as well as 4 per cent. on the profits paid to the directors for their services. But, as the capital paid up was made in three equal monthly instalments, the profits may be said to have been made in less than five months. A similarly favorable state of things is expected during the next six months. Notwithstanding the numerous failures that occurred here during the first six months of the bank's existence, it did not lose a *peso* by bad debts. Its circulation is limited by law to a certain proportion of subscribed capital. At present it has about 40,000*l.* out in notes ranging from 6 vintens (about 6½*d.*) to a doubloon. As silver had disappeared from this place the small notes have been found a great convenience. The bank is obliged to pay in gold any amount presented not less than a doubloon, and by law must publish a statement of its affairs every month. The directors are foreign merchants of known respectability. Mana's Bank was established before the Commercial, and is also considered to be in a flourishing state, but it was not so fortunate to be exempt from loss during the

late commercial crisis, particularly in its exchange bill operations. Some months ago the Government entered into a contract with the President's son to introduce a quantity of copper coin for circulation. It came from France, and it is said that, besides being short in weight, double the quantity has been put into circulation, and it is now at a discount of 25 per cent. As the Government gave the Custom-house authorities orders to permit the landing of the coin without their intervention, there is absolutely nothing of a public or official nature to show the quantity or amount landed.

THE GOLD OF CALIFORNIA.

The shipments of specie for the year 1858 were as follows:

RECAPITULATION OF SHIPMENTS OF TREASURE BY STEAMERS, 1858.

To New York,.....	\$35,578,236 00
To London,.....	9,025,737 85
To Panama,.....	298,795 01
To New Orleans,.....	263,500 00
To Acapulco,.....	8,000 00
Total steamer shipment for 1858,.....	\$45,169,269 43
“ “ 1857,.....	45,866,095 77
Decrease in 1858,.....	\$196,826 34

As will be perceived by the above, the shipments of treasure during the past year, and also in 1857, have kept pace with each other most surprisingly. The difference, only \$196,000, is a mere bagatelle when the magnitude of the entire total is considered. Between 1857 and 1856, the difference was greater—the shipment of 1856 being \$48,805,793.05. The New York shipment this year amounts to \$35,578,236.57; last year it was \$35,317,778.20. To London this year we have sent \$9,025,737.85; in 1857, \$9,285,689.80. To Panama this year, \$298,795.01; in 1857, \$410,928.77. Here is the only striking instance of disparity in the whole list. The New Orleans shipment last year was \$249,000; this year, \$263,500. In 1857, over one hundred thousand dollars was sent to Havana; this year no shipments were made in that direction.

The following is a statement of the treasure shipments by steamers for a series of years:

1849,.....	\$4,921,250 00	1854,.....	\$45,476,612 00
1850,.....	27,676,346 00	1855,.....	44,148,927 41
1851,.....	42,582,695 00	1856,.....	48,805,793 05
1852,.....	46,586,184 00	1857,.....	45,866,095 77
1853,.....	48,805,228 00	1858,.....	45,169,269 43
Total for 10 years,.....	\$399,088,850 60		

In addition to the export of over forty-five millions by steamers during the year, there was an export of treasure by sail vessels to the amount of \$2,555,721, of which the following is a recapitulation:

To China,.....	\$2,244,895 00
To East Indies,.....	85,643 86
To Honolulu,.....	172,183 00
To South America,.....	42,000 00
To Australia,.....	46,000 00
To Tahiti,.....	15,000 00
Total by sail vessels,.....	\$2,555,721 86
Total by sail vessels in 1857,.....	3,890,086 00
Decrease this year,.....	1,334,364 64
Total steamer shipment in 1858,.....	45,169,269 43
Total sail vessel shipment in 1858,.....	2,555,721 00
Grand total export for 1858,.....	47,724,990 79
Grand total export for 1857,.....	49,256,182 00
Decrease in 1858,.....	\$1,531,191 21

Last year, the deficiency, or falling off, in the total gold shipment of the year, was \$1,725,051 less than 1856, and this year it is \$1,531,191.21 less than 1857. The falling off in the shipment by sail vessels, this year, is \$1,334,364.64. The flow of silver coin to China was less during 1858 than 1857, by \$897,280. The same deficiency is noted with respect to other parts of the East Indies, to which we sent this year \$35,643 only, and last year, \$317,000. The Pacific Island shipment for the two years, exhibits less disparity, being \$174,872 last year, and \$172,183 in 1858. The amount of treasure to Australia can scarcely be counted upon as correct. No sums are shipped thither as freight, and the assumed amount is simply what is carried in the hands of passengers. Last year it was stated at \$149,000—this year, 50,000 more than covers the amount. Last year, Mexico took more than \$30,000 from us, but, during the present year, we have received thence, in silver coin, for shipment to the East Indies, many times this amount.

The foreign exports (independent of gold) from San Francisco during the year 1858, were \$4,622,120 against \$4,415,759 for the preceding year:

RECAPITULATION OF MERCHANDISE EXPORTED IN 1858.

To British Columbia,.....	\$1,388,560
To Mexico,.....	741,435
To Australia,.....	429,482
To China,.....	239,437
To Tahiti,.....	46,645
To Honolulu,.....	275,620
To Panama,.....	15,476
To New York,.....	1,128,884
To South America,.....	215,184
To Central America,.....	48,800
To Russian Possessions,.....	65,868
To East Indies,.....	6,779
To Port Townsend,.....	25,000
Total for 1858,.....	\$4,622,120
Total for 1857,.....	4,415,759
Excess in 1858,.....	\$206,361

The Public Debt of California.—According to the Register for 1859, the total debt of the State of California amounts to \$4,876,172.89, as follows :

Funded debt of 1850,.....	\$8,400
“ “ 1851,.....	150,000
“ “ 1852,.....	1,889,600
“ “ 1855,.....	700,000
“ “ 1856,.....	984,000
Total funded debt (old),.....	\$3,227,000
Interest due, January 1st, 1858,.....	226,016
Warrants outstanding, January 1st, 1858,.....	199,266
Audited accounts, January 1st, 1858,.....	94,211
State prison warrants (estimated),.....	145,000
Total civil debt,.....	\$3,891,403
Conditional debt, balance of war debt unpaid by general government,.....	228,933
War bonds act, 1857,.....	280,860
Due school fund, for sales,.....	474,380
Total conditional debt,.....	\$984,678
	\$4,876,172
Assets of State,.....	252,769
Total indebtedness,.....	\$4,623,604

If to this amount, however, is added the debts of the counties and cities, the sum total will reach rather a high figure. By reference to the same work, we find that the funded debts of the cities of Benicia, Los Angeles, Marysville, Nevada, Pincerville, Sacramento, San Francisco, San Jose and Stockton, amount to \$3,934,163 ; the floating debt to \$1,023,135, and the assets to \$84,334, leaving the actual debt to be \$4,872,964. In addition to this we find, on reference to the same work, that the funded debts of the several counties amount to \$1,098,541 ; the floating debt to \$1,726,094, and the assets to \$131,371, leaving the actual debt, \$2,693,264. From these figures it appears that the total amount of the public liabilities of the people of California amounts to the sum of \$12,189,882, as follows :

Debt of the State of California,.....	\$4,623,604
Debt of the cities in do.....	4,872,694
Debt of the counties in do,.....	2,693,264
Total liability, 1859,.....	\$12,189,882

LEGAL MISCELLANIES.

I.—FIRE INSURANCE.

SUPREME COURT OF PENNSYLVANIA, *January, 1859.*—*State Mutual Insurance Company* agt. *Roberts, to use.* Error to the District Court of Alleghany County.—This was an action on a policy of insurance made by the plaintiffs in error. The risk in this case was upon the interest of the owner in a dwelling-house. The contract was made with him, and the policy was taken out in his name. With the consent of the insurers, he then assigned the policy to Blackbourne, to whom he had given a mortgage upon the property insured, and also upon other property. The mortgage assigned the policy to Scott, the equitable plaintiff, also with the assent of the defendants. Afterwards Roberts, the party assured, effected another insurance upon the same building with a different company, and gave no notice thereof to the defendants, nor had it endorsed upon the policy issued by them. The question was whether the second Insurance, having been made by Roberts without notice to the defendants, after the assignment of the first policy, avoided it. Judge Scott in his able opinion says: "It is not denied that in the hands of Roberts, the original assured, the policy would be utterly worthless, but it is insisted that in the hands of Scott, who holds under an assignment, with the consent of the defendants, it is still available. A policy of insurance is not a negotiable instrument. It is assignable only in equity; consequently the assignee takes it subject to all equities which existed between the original parties at the time of the assignment. He takes it, however, burthened with no other equities than those which existed at the time of the assignment and notice thereof. But it does not follow from this that, by the assignment and notice, the underwriters are deprived of the combined protection of the stipulations of their contract. These are not equities. They are legal rights, which are cut off by no transfer of the instrument, * * * The assignment does not change the contract. It simply converts one of the parties into a trustee for a third person. Now, by the express terms of this policy, the defendants were to become liable to pay in case of a loss only, upon condition that neither Roberts nor any person to whom he might assign it, should effect a second insurance without giving notice to them, and having the same endorsed on the policy, or otherwise acknowledged in writing." In conclusion, the court held that the defendants were not liable either to Roberts or his assignee upon this policy; the conditions upon which their obligation to pay rested not having been fully fulfilled by the assured. The judgment was, therefore, reversed, and a *venire de novo* awarded.

II.—BANK CHECKS. SUPREME COURT OF TENNESSEE.

Among the opinions of the Supreme Court of Tennessee, as officially published in the *Southern Citizen*, we find the following case:
Neiffer vs. Bank of Knoxville.—This was an action of debt, brought by Neiffer, as holder of a paper purporting to be a check or draft for \$3,000,

drawn by the Bank of Knoxville, on H. W. Conner, of Charleston, South Carolina, payable to D. L. Bronson. The check was made payable thirty days from date, and acceptance was waived, by an endorsement on its face; no funds were placed in the hands of the drawer to meet the payment of the check, and it was protested for non-payment. Under the instructions of the Court, the jury found a verdict for the defendant, upon which the court rendered judgment. The "Bank of Knoxville" is one of the Free Banks organized under the act of 1851 and '52. At the date of the check sued on, M. W. Williams was President, and John L. Moses was Cashier of said Bank. The check was drawn and signed by the President, in his official character. This fact constitutes the principal grounds of defence—it being assumed that the President had no authority to draw the check, and consequently the act is not binding on the Bank. The charter of the Bank, the act of 1851-'52, is silent upon this subject, and there is no by-law or regulation of the Bank, assigning the duty of drawing bills or checks to any particular officer of the Bank. The objection to the power of the President to bind the Bank, therefore, rests upon the general principle that, in the absence of any positive regulation to the contrary, the Cashier is the executive officer, through whom all the moneyed operations of the Bank are to be conducted.

It is admitted to be true, as a general proposition, that where the charter of an incorporation prescribes the particular mode in which its contracts shall be made, or authenticated, that mode must be pursued; for corporations, like natural persons, are in general only bound by the acts and contracts of their agents within the scope of their authority. And all restrictions upon the power of the agents or officers contained in the charter, every one dealing with the corporation is bound to notice. But if no definite rule is to be found, either in the charter or by-laws of the institution, in regard to the manner and form in which its acts and contracts shall be evidenced, then, it seems, general usage, and the course of business of similar institutions, is to govern.

The officers will be presumed to have been vested with the customary authority; and their acts, within the scope of such usage, practice, and course of business, will be binding on the institution, in favor of third persons, having no knowledge to the contrary. There can be no doubt, however, that notwithstanding a Bank, or other corporation, may be authorized to contract in a prescribed mode, either by its charter or by-laws, or general usage, it may depart from the prescribed mode, and render itself liable upon contracts executed, or authenticated, in a different mode. Thus, although the President of a Bank be not authorized, by virtue of his office, to draw checks for the moneys of the Bank, it is clear that the company may empower him, as its agent, to do so; and that, in such case, the Bank will be bound by the act. Corporations, in this respect, stand upon the same footing with natural persons, and are alike bound by the acts of its agent, beyond the limits of his authority, if done by their previous or subsequent assent, or express or implied direction.

The proof in this record, establishes that, by the general usage of banks in Tennessee, the Cashier is the executive officer of the bank, and the proper person to draw and sign checks. But that, in the absence of the Cashier, the practice is for the President to draw and sign checks, etc., without any special authority for that purpose. And the proof further establishes that

the practice in this particular bank, from its first organization, had been, for the President to draw checks in the absence of the Cashier. It is admitted that the Cashier was absent at the time the check sued on was drawn; but it is said that, during his absence, another person had been temporarily appointed to act as cashier in his stead. This objection is not proved by any thing in the record before us, but if it were established, it would not vary the question. It is sufficient to vest the President with authority to do the act, that the regular, permanent officer, known as Cashier, is absent from the bank at the time the official act is required to be performed.

And, in the absence of any positive prohibition upon the exercise of such power by the President, in the charter of incorporation, it is difficult to perceive any very sensible reason why such power might not as well be exercised by the one officer as the other, so far as regards the binding effect of the act upon the Bank. The objection is a highly technical one, and it will not do to permit corporations, especially Banks, to escape their just liabilities on such unsubstantial and flimsy pretexts. Upon this point, his Honor, the Circuit Judge, erred in his instructions to the jury. The decision of the foregoing question disposes of the objection to the notice of protest; and, as the case must go back for another trial, we forbear to notice the question of fraud made on the trial. It will be left open, without any intimation of the facts.

Judgment reversed.

McKINNEY.

III.—BANK STOCKS.

An important decision has just been rendered by the Court of Appeals in the case of the United States Trust Company—Receiver of the Empire City Bank *agt.* the United States Fire Insurance Company and others. The principle established is, perhaps, more important to our moneyed interest than any decision since the New Haven Railroad case.

In adjusting the affairs of the Empire City Bank, it was necessary, as in all such cases, to ascertain who the stockholders were, in order that the assessment for the extinction of debts of the bank might be levied. In the opinion before us, it appears that one of the parties (Pearsall) who contested the assessment of the Referee, had made a loan to a party who transferred shares of the Empire City Bank, as security for the payment of the loan; the loan was paid a year before the bank failed, nearly all the stock was re-transferred to the the original owner; the bank failed, and Pearsall, the lender, was called upon to pay assessment on the few shares which he had neglected to re-transfer to the original owner. The court decided that he was liable.

Another party—the United States Fire Insurance Company—had been charged as stockholder, in respect to stock standing in its name, but which, as was alleged and proved before the Referee, was held only under hypothecation as security for money lent. The Referee charged the debtors who had transferred the stock, but the Court of Appeals affirms the decision of the Special Term, which made the apportionment against the parties in whose name it stood, viz., the United States Fire Insurance Company.

This decision shows the importance of the lender immediately re-transferring the stock pledged to the original owner, and the danger of issuing a power of attorney which may be floating in Wall street for months, while

yet the lender, who ceases to have any connection with the borrower, is liable as a stockholder, in the event of the bank failing, and the borrower is exempt.

The justice of the principle established in the transaction of the United States Fire Insurance Company will, we think, be recognized by our moneyed men.

For instance, a person wishes to open an account with one of our banks ; with that view examines the lists of stockholders, and sees among them very responsible names, it may be the United States Fire Insurance Company, is satisfied, becomes a depositor, &c. The bank fails, but the depositor feels easy, knowing the character of the names which appear upon the books of the bank as stockholders.

If, therefore, when the debts are assessed upon the stockholders, responsible parties who have allowed their names to appear upon the books of the bank as stockholders, can be permitted to escape liability on the ground that they had no direct interest in the stock, but held it merely by hypothecation as security for a debt, then the value to depositors of the liability clause in the General Banking law would be greatly impaired, it being well understood that a large portion of the bank stocks of this city are often held by institutions and capitalists as security for loans.

IV.—LIFE INSURANCE.

Quite a novel and interesting case, touching a failure to pay the annual premium on a life policy of insurance, has just been concluded in the St. Louis Court of Common Pleas. There is, we understand, no reported case of a similar character, and so large a portion of the public are, at this day, interested in the business of Life Insurance, that we have thought a brief synopsis of the case would be both interesting and profitable to a large number of our readers. The case referred to is that of JAMES A. DAVIS and wife *vs.* the New York Life Insurance Co., and was tried by Messrs. N. HOLMES and T. RISK, on the part of the plaintiffs, and by Messrs. THOMAS and COX for the defendant.

The facts were that in 1850 JAMES A. DAVIS effected with the defendant, an insurance on his life for the sum of \$5,000, for the term of his natural life, to be paid, after his decease, to his wife, upon due notice and proof of his death. One of the conditions of the policy was that if the annual premiums were not paid on the 1st day of October in each year, the defendant was discharged from liability to pay the sum insured, and the policy should cease and determine. The plaintiff neglected to pay the premium which fell due October 1, 1856, and on the 24th of February, 1858, paid the same to the Company's Agent in St. Louis, which was by the Agent received subject to the acceptance of the parent office in New York. The parent office refused to receive it, and insisted that the policy was forfeited. The object of the suit was to procure a decree to compel the Company to receive the premium money, and setting aside the alleged forfeiture of the policy.

In support of the prayer of the petition Mr. HOLMES insisted, that as the contract of insurance in the case was for life, in consideration of a single premium divided into annual payments, that the contract was an entire one, and as time was not of the essence of the contract, the failure to pay the an-

nual premium at the time named in the policy was a matter the Court ought to relieve against, unless in the mean time the circumstances of the parties had materially changed.

On the other hand, it was contended by Mr. Cox, of counsel for the defence, that the jurisdiction in cases of insurance belonged exclusively to the courts of common law, and courts of equity will interfere, in such cases, only in advancement of justice in actions at law; and this being a case in chancery to obtain a decree for specific performance, the Court had no power so to decree, for there is no agreement the specific performance of which could be decreed. The policy had, by its terms, ceased to exist, and it would not be pretended that the Company had made any agreement to renew it. But admitting, for the sake of the argument, that the power exists, how can it be exercised in the case at bar, and the prayer of the petitioners be granted, without subverting the most familiar rules of equity in such cases? First, the remedy must be mutual; the Court will not grant to the plaintiff a remedy and relief that it could not grant the defendant, and he knew of no remedy, either at law or in equity, by which the defendant could compel the payment of the premiums. Another well-established rule in such cases, was that to be entitled to relief, the party seeking it must show that he has been in no default in not having performed his part of the contract, and has been at all times ready to do so.

He further contended that, to keep the policy in force in such cases, it was indispensable that the renewal premium be actually paid at the time stipulated in the policy. It was not sufficient that there was no intention to discontinue, and that the defendant was not damaged by delay in paying it, for the reason that the common equitable relief in respect to money payments, and the ordinary rules which govern in construing conditions to create real estates, do not apply to personal contracts. Such contracts must be performed according to the language and apparent meaning of the parties. In support of these views, a number of authorities were cited by Mr. Cox. The Court took the case under advisement, and decided it by dismissing the petition and refusing to set aside the forfeiture of the policy. The plaintiffs gave notice of a motion for a new trial, and will, we understand, take the case to the Supreme Court.

V.—COLLATERAL NOTES.

An important case to bankers and business men generally, has been decided by the Court of Appeals of Kentucky, in a suit in which Lee's administrator was plaintiff, and Sinead, Collard and Hughes, defendants. It appears that a man name Harcourt borrowed from Lee \$135, for which sum Harcourt executed his note, dated Newport, Ky., October 6, 1854, payable thirty days thereafter to M. Seddens at the "People's Bank, Cincinnati." Seddens, the nominal payee, was in fact the mere surety of Harcourt, and he endorsed the note to Lee, who also endorsed and deposited it, on the same day it was executed, in the People's Bank at Cincinnati for collection.

Manchester, (P. B.) the proprietor of the People's Bank, Cincinnati, borrowed some \$20,000 from Sinead, Collard and Hughes, and deposited this note, with others, as collateral security. While these collaterals were in the hands of S. C. & H., Manchester failed and absconded, and the for-

mer claimed the note as their property by assignment. Action was brought by Smead, Collard & Hughes against Harcourt, Seddens & Lee, in which they claim to be the holders, by assignment, of the note just described, and upon which they claim a joint judgment against the defendants, the note having assumed the character of a bill of exchange.

Lee filed his answer setting out the facts already stated in regard to the execution of the note, and the deposit of it with Manchester for collection; he denies having assigned the note to the plaintiff, and claimed to be the true owner of the debt; and says that the plaintiffs and Manchester were intimate in their business transactions; that the plaintiffs knew, when they received the note from Manchester, that it had been left with the latter for the mere purpose of collection, that Manchester was at the time in failing circumstances, and the plaintiffs knew it. He prayed that his co-defendants, Harcourt and Seddens, be compelled to pay the amount due on the note to him and not to the plaintiffs.

Lee subsequently died, and the administrator filed answers, relying upon the same defence, and alleging in addition, that the note sued on and others which belonged to Lee, were deposited with the plaintiff by Manchester as collateral security for loans or money; that the securities so deposited by Manchester which belonged to him were of sufficient value to pay the amount of the loan without appropriating those which belonged to Lee. Other defences, merely technical, were set up.

Upon the trial, the court below, to whom the law and facts were submitted, rendered a joint judgment against the defendants for the amount of the note. From that judgment the administrator of Lee prosecuted this appeal. The grounds mainly relied upon for a reversal were:

1. That the appellees knew or had reason to believe when they received the note, that it had been left for collection merely, and that he was not the beneficial owner of it.
2. That the appellees did not receive the note in the regular course of business, and for a fair and valuable consideration.

Judge Duvall delivered the opinion of the court.

Held—1. The testimony shows that there was considerable intimacy between the proprietors of the two banking houses, and that the appellees were fully aware of the embarrassed condition of Manchester's pecuniary affairs about the time of the transaction in question. But the presumption arising from these circumstances, that the appellees knew or had reason to believe that Manchester was not the real owner of the note, strengthened as that presumption is, in some degree, by the direct testimony of several witnesses, is not sufficient, we think, in view of the opposing facts established by the record, to affect the appellants with notice of the infirmity or defect in Manchester's title to the note, at the time of the transfer to them.

2. The second point urged by appellant's counsel has never been considered or decided by this court. And it is said that the question has not yet received a distinct adjudication in England, and that the cases in which it has incidentally arisen leave it in doubt what the inclination of judicial opinion is.

But the principle which seemed to be established by the weight of the authorities, as well as by reason and policy, is that the holder of a commercial instrument who has received it only as collateral security for an antecedent debt, and who is under no legal obligation to forego the pursuit of

any existing remedy, and who has in no other form parted with any value, or given for it any new or additional consideration, cannot be said to have taken such instrument in the regular course of business, and is not a bona fide holder in the legal import of that phrase, and that the title which he thus acquires is subordinate to that of the true and rightful owner.

The general rule is, that the rightful owner of property is entitled to recover it from any person in whose possession it may be found. To this rule, however, there is a well-established exception, founded on principles of commercial policy, which allows the holder of negotiable paper, received in the usual course of trade, for a valuable consideration, though from a person having no right to make the transfer, to retain it against the claim of the previous and rightful owner, provided the holder took it without notice of the fraud. The reason of this exception is, that the innocent holder, having incurred loss by giving credit to the paper, and, having paid a fair equivalent, is entitled to protection. But no principle or commercial policy requires that the privileges of this class of contracts should be extended beyond this reasonable limit.

In arriving at these conclusions upon this branch of this case, the court reviewed the following authorities: *Bay vs. Coddington*, 5 Johns. Ch'y Rep., 54; 20 Johnson Rep. 637; *Swift vs. Tyron*, 16 Peters, 1; *Stulker vs. McDonald*, 6 Hill, 95.

Appellees were not entitled to judgment upon the bill sued on against the claim asserted by Lee, who is shown to have been the lawful and real owner.

Judgment affirmed.

DEPOSITS IN BANKS—CERTIFIED CHECKS.

From the Cincinnati Gazette. January, 1859.

As a general rule, bankers refuse to pay checks unless the money is on hand, but recently exceptions have been made in favor of a certain class of customers, who keep valuable accounts, and are known to be good, the banker not even requiring a notice from the depositor of his intention to overdraw. We have not heard that this privilege has been used to an extent to cause any inconvenience to bankers, and we presume it has not been, for customers whose standing would enable them to exercise it, would not be likely to check extensively without having funds to draw against; but since the late successful forgery, which might have been prevented or detected, had the general rule been rigidly enforced, bankers have concluded that, to guard against frauds of this character, the privilege must be restricted. Some leading houses have accordingly advised the class of depositors referred to, that hereafter overdrafts will not be paid in the absence of notice from the drawer. Bankers having to run all the risk of forgeries, this precaution is entirely reasonable, and depositors will no doubt cheerfully acquiesce in this modification of the custom established under

the special arrangement system. This rule may serve to prevent frauds in some cases, as forgers would run the risk of over-checking, in which case, if not detected, their object would at least be defeated. But it would seem that more than this requires to be done, in order to remove the loose features of the system upon which business is transacted between bankers and depositors. If each bank would provide its own checks, and supply them exclusively to customers, one of the strongest safeguards that could be devised would thus be established, as it would then become necessary for the forger to obtain access to the check books of depositors, a thing that could not easily be done, if the blanks were kept with proper care. Another important safeguard would be the adoption of the European system of numbering checks. There, banks have engraved plates for checks, which they guard as carefully as they do bank note plates. Checkbooks contain, each, two hundred checks, and every depositor has his range of numbers. For example: A's book extends from 1 to 200; B's from 200 to 400; and so on. If A's name should be forged to a check not bearing a number between 1 and 200, it would, of course, be refused by the bank. In order, therefore, to practise a forgery on a European bank, the blanks must first be counterfeited, or the genuine blanks stolen; then the range of numbers belonging to the depositor must be ascertained; and lastly, the filling up and signature must be imitated. In this country, where people value convenience more than system, it would be necessary to provide outside blanks, different from those bound in books and numbered; but this difficulty might be overcome by requiring all irregular checks to be made payable to order. To establish a system of this kind, the expense would be comparatively trifling, while it would unquestionably secure important safeguards valuable to bankers.

Liabilities of Stock Brokers.—The case of Albert C. Parsons *agt.* Joseph G. Martin, was tried before the Common Pleas at Greenfield, Massachusetts, in 1858, and the jury found for the plaintiff, assessing the damages at \$325 75. The defendant is a stockbroker of Boston, to whom Mr. Parsons intrusted the sale of thirteen shares of Vermont and Massachusetts Railroad stock two or three years ago, when the shares sold at \$22. It appeared in evidence, that while this was the ruling price the defendant transferred four of the plaintiff's shares to a third person, and the other nine to himself, and afterwards transferred all the shares to third persons, so that none remained in his own name. On this evidence the plaintiff brought his action to recover \$22 per share, but the defendant contended that he never intended to sell the plaintiff's shares, but only to use them temporarily, and that he always intended to replace them; and that, in fact, he never sold any of the plaintiff's shares for and on account of the plaintiff; and that he only acted in accordance with the custom of brokers; but the court ruled that such custom, if proved, would be illegal.

BANK STATISTICS.

KENTUCKY.

Consolidated Statement of the Kentucky Banks, January 1st, 1859.

Banks.	Capital Stock.	Circulation.	Cash Means.	Notes Discounted.	Notes and Bills.	Real Estate, Bonds, &c.	Due from Banks.	Due to Banks.	Deposits.
Bank of Kentucky,.....	\$3,700,000	\$3,639,443	\$2,142,278	\$2,272,984	\$4,796,008	\$367,557	\$1,513,092	\$1,390,744	\$1,889,574
Northern Bank,.....	2,250,000	2,346,254	1,362,592	1,506,064	*3,239,715	140,457	1,106,610	1,086,076	1,148,306
Bank of Louisville,.....	1,930,000	1,644,007	620,753	711,567	2,592,253	76,164	441,047	337,562	390,208
Southern Bank,.....	1,500,000	2,478,139	1,504,416	495,095	†1,933,138	701,570	1,412,359	1,330,230	300,371
Farmers' Bank,.....	1,406,400	2,255,167	896,537	1,044,009	2,356,795	123,497	272,441	96,062	448,401
Commercial Bank,.....	984,895	1,337,782	562,030	266,144	1,709,257	51,982	88,877	79,740	217,260
Bank of Ashland,.....	241,670	393,995	298,604	249,330	1,795,401	36,618	46,349	12,518	154,634
People's Bank,.....	128,760	250,909	130,186	172,733	100,870	1,260	15,473	....	33,160
Total,.....	\$12,141,725	\$14,315,969	\$7,517,195	\$6,717,800	\$16,956,796	\$1,499,054	\$4,596,168	\$4,332,922	\$4,301,867

* Includes time investments, South, \$195,348.

† Includes time investments, South, \$122,854.

‡ Includes State deposits of \$392,404.

Condensed Statement of the Kentucky Banks, from January, 1851, to January, 1859. Prepared by Mr. T. D. Tilford, of the Northern Bank of Kentucky.

Date.	Capital.	Circulation.	Cash Means.	Notes Discounted.	Notes and Bills.	Exchange.	Due from Banks.	Due to Banks.	Deposits.	Suspended Debt.
January 1, 1851,.....	\$7,330,000	\$7,050,437	\$2,475,15	\$4,852,969	\$11,713,606	\$6,800,636	\$2,313,527	\$1,171,929	\$222,192	
" 1, 1852,.....	8,108,825	8,561,121	3,418,035	5,110,726	9,432,967	14,532,094	2,348,180	2,133,042	1,830,824	213,495
" 1, 1853,.....	9,076,436	11,702,767	4,391,241	5,268,388	11,956,756	17,232,039	4,569,077	3,183,373	2,422,046	217,201
" 1, 1854,.....	10,092,250	13,573,510	4,594,369	4,812,574	13,686,592	20,728,192	3,961,758	2,800,759	2,748,362	180,297
" 1, 1855,.....	10,343,968	8,629,916	4,149,541	4,421,264	12,455,171	16,826,436	3,317,090	2,577,633	2,196,624	343,981
" 1, 1856,.....	10,404,822	12,634,533	4,610,016	5,748,396	15,638,309	20,950,772	2,541,778	2,535,832	2,622,692	347,955
" 1, 1857,.....	10,433,400	13,485,585	5,963,117	5,751,016	16,935,341	22,686,504	4,087,048	2,949,464	3,406,706	312,307
" 1, 1858,.....	10,674,670	8,864,225	5,648,100	5,295,039	12,329,435	17,642,845	3,507,623	3,195,154	2,324,857	487,186
" 1, 1859,.....	12,141,725	14,315,969	7,517,195	6,717,800	16,956,796	22,674,686	4,896,168	4,332,922	4,301,867	315,076

Note.—Increase in circulation from July, 1858, to January, 1859,.....

Increase in notes and bills from July, 1858, to January, 1859,.....

Increase in deposits from July, 1858, to January, 1859,.....

5,022,477

906,408

SOUTH CAROLINA.

The annexed figures show the condition of the banks of the State for the month of January:

<i>Banks.</i>	<i>Capital.</i>	<i>Loans.</i>	<i>Deposits.</i>	<i>Circulation.</i>	<i>Specie.</i>
Camden Bank,.....	\$400,000	\$125,970 90	\$36,098 86	\$251,306	\$22,869 22
Bank of Charleston,.....	3,160,800	2,229,162 29	862,054 28	747,492	430,627 70
Chester Bank,.....	300,000	162,619 48	93,398 75	654,025	62,988 30
Commercial Bank,.....	800,000	641,679 15	280,289 89	363,545	93,092 00
Exchange Bank,.....	500,000	396,545 12	89,602 95	684,690	48,610 80
Farmers' and Exchange Bank,.	1,000,000	964,767 35	163,096 66	1,082,895	218,161 94
Georgetown Bank,.....	200,000	155,012 75	89,170 31	233,655	50,161 13
Bank of Hamburg,.....	500,000	251,257 74	57,453 50	1,120,742	168,300 87
Merchants' Bank,.....	400,000	175,895 87	39,052 52	476,475	54,519 16
Bank of Newberry,.....	364,200	125,334 52	63,665 21	643,726	72,423 15
People's Bank,.....	1,000,000	766,903 38	307,091 55	748,510	309,306 38
Planters' Bank,.....	300,000	72,529 41	55,449 42	409,025	30,899 25
Planters and Mechanics' Bank,.	1,000,000	777,348 79	299,890 27	216,810	210,046 68
Bank of South Carolina,.....	1,000,000	914,626 34	269,202 43	92,397	52,285 84
South Western R. R. Bank,....	872,475	584,718 93	324,939 99	392,265	120,253 07
Bank State of South Carolina,...	1,090,976	1,952,174 14	745,552 91	1,823,300	365,882 47
Columbia Branch Bank,.....	....	744,723 59	263,715 75	....	11,697 02
Camden Branch Bank,.....	....	183,067 08	36,188 76	....	4,111 80
State Bank,.....	1,000,000	580,554 97	347,320 10	50,395	260,099 99
Union Bank,.....	1,000,000	796,145 09	232,306 36	228,032	83,885 25
	\$14,888,451	12,601,036 58	\$4,656,050 47	10,678,290	2,662,230 05

CANADA BANKS AND RAILROADS.

Par Value of each.—Amount Paid.—Last Dividend.—Current Value.

<i>Name.</i>	<i>Shares.</i>	<i>Paid up.</i>	<i>Dividend.</i>	<i>Buyers.</i>	<i>Sellers.</i>
Bank of Montreal,.....	\$200 00	whole.	4	117	none.
Bank of Montreal, New Stock,.....	200 00	70 per cent.	4	116½	"
Commercial Bank of Canada,.....	100 00	"	4	111½	111½
City Bank,.....	80 00	"	4	108½	none.
City Bank, New Stock,.....	80 00	40 per cent.	4	108	"
Bank of Upper Canada,.....	50 00	whole.	4	91½	92
People's Bank,.....	50 00	"	4	109	110
Molson's Bank,.....	50 00	40 per cent.	4	109½	110
Montreal Mining Company's Consols,.....	20 00	\$15 10	none.	\$3 75	\$4 00
Quebec and Lake Superior Mining Co.,....	8 00	4 10	..	none.	none.
Lake Huron Silver and Copper Mining Co.,	5 00	0 75	..	none.	"
Canada Mining Co.,.....	5 00	0 90	..	none.	"
Huron Copper Bay Mining Company,.....	4 00	0 25	..	0.15	"
Champlain and St. Lawrence R. R. Co.,...	200 00	whole.	none.	16	16½
Grand Trunk Railroad Company,.....	100 00	"	*6	34	none.
Great Western R. R. of Canada,.....	100 00	"	*5½	none.	"
Montreal Telegraph Company,.....	40 00	"	4	115	116
Montreal City Gas Company,.....	40 60	"	3	Par.	none.
Government Debentures, 20 years,.....	....	....	*6	104	104½
Can. M. L. F. Debentures,.....	....	....	*6	94½	95
Champlain and St. Lawrence R. R. Bonds,.	....	....	*7	80	none.
Montreal Exchange,.....	400 00	whole.	*6	80	80
Montreal Harbor Bonds,.....	....	....	*8	106½	107
Montreal Waterworks Bonds,.....	....	....	*6	94	95

* Dividend for the year; the others for six months.

NEW PUBLICATIONS.

- I. *The American Almanac and Repository of Useful Knowledge, for the Year 1859.* Price one dollar.

This is the thirtieth volume of one of the most useful serial publications of the day. Unwearied pains has been taken to collect full, authentic, and varied information concerning the complex affairs of the general and State governments; and a mass of official documents and private correspondence has been digested relating to the government, finances, legislation, public institutions, internal improvements, and resources of the United States, and of the several States. It is hoped that the present volume will be found equal to its predecessors in fulness and accuracy, and that it will sustain the high character of the American Almanac as a trustworthy manual for reference, and a full repository of useful knowledge. This volume contains a general index to all the subjects treated of in the ten volumes, 1850-1859: with a full index to the names of all distinguished persons deceased in the same period.

- II. *Banking; its Utility and Economy.* By THOMSON HANKEY, Esq., M. P., late Governor of the Bank of England. 8vo. Price 6d. Sterling.

This pamphlet, by an eminent banker, is devoted to the consideration and illustration of the important functions of the Bank of England, and its influence upon the currency and commerce of the nation.

- III. *The Logic of Banking; a familiar Exposition of the Principles of Reasoning, and their application to the Art and the Science of Banking.* By J. W. GILBART, F.R.S., author of "Logic for the Million," "Practical Treatise on Banking," &c. 12mo. Price 12s. 6d. sterling. London: 1858.

- IV. *The English National Debt, Financially considered.* By EDWARD CAPPS. 1 vol. 8vo. 7s. 6d.

To this Essay the prize of two hundred guineas was unanimously awarded by the adjudicators appointed by the Society of Arts, July, 1858.

- V. *United States Customs Guide, being a Compilation of the Laws relating to Registry, Enrollment, and Licensing of Vessels; Entry and Clearance in the Foreign and Coasting Trade; Navigation; Commercial Intercourse; Entry of Merchandise for Consumption and Warehousing, &c.* By R. S. ANDROS, late Deputy-Collector of the Customs, Boston.

There are numerous topics embraced in this work, which will render it a useful appendage to the merchant's desk, viz: Appraisement, Bounty and Drawback, Revenue Laws, Baggage, Reciprocal Trade, Seamen, Wages, &c.

- VI. *A Hand-Book of Criminal Law, applicable chiefly to Commercial Transactions.* By W. CAMPBELL SLEIGH, Esq., of London. (Published by Routledge & Co., London and New York.) 12mo. pp. 168.

Blackstone says that "it is incumbent upon every man to be acquainted with those laws at least with which he is immediately concerned." The author avows his wish to supply the Merchant and Tradesman with such an exposition of those laws which most commonly concern their every-day transactions, as shall to some extent enable them to guard against the knavery and imposition frequently practised with success upon the Commercial community. The book is divided into nine chapters: I. Of Larceny, Theft, &c. II. Illustrative Cases. III. Of Embezzlement by Clerks and Officers. IV. Of Frauds by Bankers and Agents. V. Of False Pretences. VI. Of Forgery. VII. Fraudulent Bankruptcy. VIII. Receiving Stolen property. IX. Of Conspiracy.

- VII. *A Hand-Book of the Cotton Trade.* By THOMAS ELLISON. London, 1859. With Maps and Tables. 8vo. Price 7s. 6d.

- VIII. *A Dictionary of Political Economy, Biographical, Bibliographical, Practical and Historical.* By HENRY DUNNING MACLEOD. Part I. (to be completed in fifteen monthly parts). London, 1859. 4s. each.

IX. *The Ways and Means of Payment: a full Analysis of the Credit System, with its various Modes of Adjustment Comprising Treatises on Money of Account, Money, Coins, Bullion and Bullion Banks; the Credit System with its various devices of Books of Account, Promissory Notes, Bills of Exchange, Bank-notes, Bank-deposits, Credits in Account; the Payments of the Commercial Fairs, including Copious Notices of the Banks of England, Scotland, and the United States; Clearing-Houses, and the relations of these subjects to Interest, Prices, and the Public Payments.* By STEPHEN COLWELL. 1 Vol. 8vo. 650 pp. Price \$2 50. Published by J. B. Lippincott & Co., Philadelphia.

The author of this work is one of our most thorough writers—a gentleman of experience, of observation, of judgment. His labor and research fully enable him to discuss, with advantage to his readers, the numerous subjects enumerated above.

The Credit System is treated as that which separates the payments of trade from the actual movement of the commodities of trade, and makes the business a separate branch of commerce. The chief agencies in this business of payments are Books of Account, Promissory Notes, Bills of Exchange, Bank Notes, Bank Discounts, Bank Deposits, Clearing Houses; each of which agencies is treated separately and specially, as also that of foreign exchange applied to payment of foreign debts. These subjects are illustrated by curious and numerous references to the modes of payment during the middle ages and since.

The chapters on Banks begin with the Banks of Venice and Genoa, the accounts of which are probably the most full and satisfactory of any in the English language. These banks have been often superficially noticed, but their real importance in the history of the Credit System, and the instruction they afford even in our day, has not before been so clearly developed. This is also true of the Commercial Fairs of Europe, to which a chapter is devoted.

The period of excitement in England on the subject of Credit, at the close of the seventeenth century, is fully noticed, and many of the banking projects which immediately preceded the establishment of the Bank of England are described. The Bank of England is treated as the type of modern banks of circulation, and the origin and progress of the various processes are traced with care, for the purpose, apparently, of shedding a strong light on the theory and usages of such banks. The study of the very peculiar system of banking which prevails in Scotland, the pride of that shrewd people, and one of the main agencies of their industrial prosperity, is treated in this book in a manner which cannot fail to leave upon the reader an abiding impression favorable to the Scottish System.

The Banks of the United States are considered only in the light of their agency in effecting the great payments of our domestic trade. The special operation of this important agency is distinctly traced, and placed before the reader free from the innumerable collateral topics which have so much obscured this subject.

No subjects in this volume are of more public concern than Prices and Interest, which are treated, in connection with the main topic, in separate chapters.

The last chapter is upon Public Payments, and as it reviews and contrasts the financial system of France, England, and the United States, is very timely. The subject of Treasury Notes is discussed, and their use advocated.

A plan for an Institution to regulate the domestic exchanges is suggested—especially with reference to its bearing on the operations of the Public Treasury.

We shall take occasion in an early No. to reproduce one or more of the chapters of this valuable work, a copy of which should be found in every bank library, and whose contents should also be duly weighed by our merchants.

X. *Facts, Failures, and Frauds: Revelations—Financial—Mercantile—Criminal.* By D. MORRIS EVANS. London: Groombridge & Son, 1859. One Vol. 8vo. Price 12s. Sterling.

The author divides his work into fourteen chapters, each of which is devoted to a separate subject. G. Hudson, M. P., Railroad Manager, &c., occupies one chapter; Strahan, Pauls & Bates, another; Sudler, a third; Davidson & Gordon; Frauds on the Globe Life Office, &c.

BANK ITEMS.

Currency.—The Secretary of the Treasury, in a recent document sent to the House of Representatives, suggests an invitation from the United States to the commercial countries of Europe, to meet in a representative body for consultation on a uniform currency, uniform weights and measures, and a uniform system of commercial statistics; being of the opinion this return would be favorably received and probably adopted by each of the countries so represented. He says our own government occupies a position, both political and commercial, which would justify it in taking the lead in the matter.

NEW YORK.—The Court of Claims at Washington has before it a case in which the Mechanics' Bank of New York is a claimant:

Richard Irvine, trustee of the Mechanics' Bank, New York, *agt.* The United States. This claim originated in the loan of \$25,000,000 made by the government in 1814. The petitioner claims that the Mechanics' Bank took a portion of the loan, under an agreement that if any part of it was afterwards made at a rate more favorable to the lender, the bank should secure additional stock to the amount of the difference between the rate at which it took the stock and the rate of any subsequent loan. The amount claimed under this agreement is \$48,062 50, with interest from the 10th day of July, 1814. Mr. Thompson, of Indiana, opened the argument for the claimant; and, without concluding, the court adjourned.

At a meeting of the Bank Clearing-House Association, in February, the application of the Grocers' and New York County Banks for admission to membership was denied.

Board of Currency.—It is proposed to form a voluntary association in this city, consisting of the presidents of certain city banks, to discuss at stated meetings the condition of the money market, the condition of the banks, the prospects of business, and such collateral topics as affect the banking interest. The articles of association have been agreed upon, and will be made known at the proper time. Such an association has long been wanted in this city, and in fact such should exist in every commercial city. Much good may be done by consultation and by concert of action, whatever may be the condition of the money market. The object of the association is simply to bring together in stated meetings the officers of our leading banks for an interchange of opinions, and to secure for each other the benefit of their several experiences. The purpose of it is in no respect administrative, or intended to interfere with the perfect liberty of each city institution in managing its own affairs as it sees best, but simply to weigh matters which are not admitted to discussion at the clearing-house. If we recollect rightly, our bank officers were compelled in the height of the disorders of 1857, to adjourn the Clearing-House Association, and organize as a private body, before deliberating upon questions which demanded immediate attention. Such an organization as the one proposed has been in operation for a year past in Philadelphia, and, from what we can learn, has been productive of general good.

Corning.—The Corning Journal of February 3d, learns that Mr. J. N. Hungerford, late president of the George Washington Bank, is about to establish a new bank in Corning, with a capital of \$50,000.

Utica.—The receiver of the Ontario Bank, (Utica,) will pay a dividend of 90 per cent. on the 1st of February, on the principle of admitted claims against the bank, in addition to the 50 per cent. paid last July. The bills of the branch are included in "admitted claims." The Utica Herald states that it is understood that all debts of the bank can be paid in time, but the stockholders will receive little or nothing.

New Counterfeits.—The counterfeiting fraternity are losing no time. They issue new notes as fast as the old ones get into disrepute, and sometimes faster. The photograph is now resorted to with considerable success for copying bank notes. Fives thus executed, on the Farmers and Mechanics' Bank of this city, are in circulation abroad, and are said to be so nicely executed as to deceive those not accustomed to such trash. Among the altered notes lately put out are the following: Twenties on the Bank of North America, New York: Fives on Camden Bank of New Jersey; Tens on Bank of Cayuga Lake, N. Y., and Twenties on Merchants' Bank, New York.—*Rochester Adv.*

The remarks of our Rochester contemporary apply with equal, if not more, force to

our own city. The bankers and brokers inform us that there has never been a greater quantity or variety of counterfeit bank bills than at this time. The fraudulent bills are better executed than ever, thus deceiving many who have a practised eye. Quite a large number of fraudulent bills of the Chemung Bank (of Elmira) have been passed upon our retailers. The evil is a growing one and deserves the attention of the Legislature, so that more effectual measures may be taken to protect the community.

It is known that an association has existed for six years in Boston, known as "the Association of Banks for the Suppression of Counterfeiting," whose efforts have done much good in arresting and procuring the punishment of counterfeiters. The sixth annual report of this association has been printed and is now before us. The members are the representatives of banks; and the committee appeal with great propriety and force to the banks of our State and other States to join them in their laudable objects.

The banks of every State should participate in this common object and contribute the small sum demanded (viz. \$5 per year for every \$100,000 of capital) to aid the association. At present only one in this State has joined (the Bank of Geneva), and we are surprised that nearly all have not promptly responded to the call.

MASSACHUSETTS.—The banking rooms of the Safety Fund Bank were opened in Boston on the 1st inst., for the receiving of payments of subscriptions to the capital stock, which is \$600,000. \$522,000 was paid in on the 1st, and the balance on the following day. On Thursday the Commissioners had counted the gold and silver, and made all necessary examinations, and their certificate was deposited with the Secretary of State. The institution was then opened at 12 o'clock for regular business. Experiments are being made to produce a paper with a water-mark or red silk line, which it shall be impossible to counterfeit by the photograph process. This is the second bank established in that State under the general banking law of 1851.

Banks and Banking.—A legislative report was made by Mr. Sherman, of Plymouth. Inexpedient to legislate on the subject of repealing the law which relates to the publication of the notices of bank meetings, (22d section of Revised Statutes.)

RHODE ISLAND.—In the Supreme Court at Providence, R. I., a decree was entered granting a perpetual injunction against the Warwick Bank, and appointing W. Hayes, Esq., receiver. The petition of the bank commissioners, on which this order was granted, states that the plates of the bank, which, at the suggestion of the Commissioners, had been lodged in the American Bank, have been removed and are missing; that a large amount of bills have been put in circulation without any entry of the issue, and without security therefor; that the books of the bank do not show proper records of its proceedings, and that its affairs are being so managed generally, that the public and those having funds in its custody are in danger of being defrauded thereby.

NEW JERSEY.—A bill has been introduced into the New Jersey House of Delegates, to charter the Bank of North America, at Camden, but failed to pass, also to incorporate the New Jersey City Savings Bank.

FLORIDA.—The Tallahassee (Fla.) correspondent of the *Savannah Republican*, under date of the 14th inst., says: "A bill relating to Bank Agencies of other States has passed the House, and may go through the Senate, though it is doubtful. By its terms, six months after the establishment of a Bank, all agencies within fifty miles of it are required to redeem their bills in specie, and, on failure, to be restrained from the exercise of their functions, by writ of injunction issuing out of a Court of Chancery."

GEORGIA.—The following Banks have not made their returns in accordance with the Governor's opinion of the law: The Bank of the State of Georgia. The Cherokee Insurance and Banking Co., at Dalton. The Marine Bank of Georgia, at Savannah. The Bank of Columbus. The Bank of Middle Georgia, at Macon. The Bank of the Empire State, at Rome. The Planters and Mechanics' Bank, at Dalton. The Bank of Greensboro'. The Exchange Bank of the State of Georgia, at Griffin, and the Mechanics' Bank, at Augusta. His Excellency has accordingly issued his proclamation, ordering that the bills of such banks shall not be received in payment of taxes or debts due to the Central Bank, with the following additional notification:—

"And I do moreover proclaim and make known to each of said delinquent Banks, that a tax of two per cent. a month upon the whole amount of its capital stock, commencing with the first day of this present month, will be levied and collected from each of them, in accordance with the provisions of the act passed 11th December, 1858, unless such Bank shall obey the law, and make its return by the 1st day of July next, in full compliance with all the provisions of the act passed 22d December, 1857, and the act passed 11th December, 1858."

ILLINOIS.—The banking house of A. J. Matteson at Prophetstown, Ill., was robbed on the evening of the 15th ult., of \$65,000 in bonds and mortgages of the Camanche, Albany and Mendota railroad, and about \$7,000 in notes belonging to Mr. Matteson. It seems the clerk was attending an evening meeting in the town, and was called out by a citizen, who professed a wish to examine his account and deposit some money. The clerk went with him to the bank, and while they were transacting the business a gang of men, with faces blackened, rushed in and seized the papers above mentioned.

Specie Bank.—The bill for the establishment of a set of specie banks in this State, was introduced, and was referred to a select committee of five. This bill comes from the South, we learn, and is intended to meet the great necessity in that quarter for active money to carry on their ordinary commercial transactions. It is not designed to interfere with the present stock banks, and will supply a deficiency now existing within this State, by affording facilities for loans and exchange, which the present banks do not afford.

Chicago.—A bill to incorporate the Chicago Loan and Trust Company has passed the Illinois Assembly. A bill for establishing a new banking system on a specie basis has passed to its third reading. It provides for three banks, one in Cairo, one in Springfield, and one in Chicago, with a capital of \$3,000,000 each, and with power to issue notes to three times the amount of their specie paid up.

INDIANA.—"The Banks of Indianapolis have given public notice that hereafter they will not receive on deposit the issues of Illinois and Wisconsin Banks, except at a discount of 1 per cent. This money has been, for some months past, in good credit, but some contemplated legislation in Illinois affecting the payment of interest on State stocks has had the effect to create some distrust in regard to the future security of the circulation of the Illinois Free Banks."

Lawrenceburgh.—Charles B. Burkam, Esq., was on the 3d of February elected Cashier of the Branch of the Bank of the State of Indiana, at Lawrenceburgh, in place of Henry K. Hobbs, Esq., resigned.

Bank of the State.—A bill has been introduced into the Indiana State Senate to authorize the Bank of the State to lay off six additional branch districts and to establish branches therein. Both Houses have agreed on the bill to prohibit the circulation of unauthorized paper currency, by adopting a report of a Committee of Conference, which was before appointed. It is perhaps the most important measure which has passed this session, and one very much needed in that State, which has of late become flooded with shinplasters.

Currency.—The Indiana Legislature has a bill before it which prohibits the issuing of bank notes by private bankers. It includes in its provisions all kinds of paper issued for the purpose of being used for general circulation as money, and not authorized by law, making the penalty of issuing such notes, or putting them in circulation, punishable by a fine of not less than \$50 or more than \$1,000, to which may be added imprisonment for three months at the discretion of the Court. Section 3 provides that any person who shall have put such paper into circulation, and shall fail to redeem it upon presentation, shall be fined on conviction from \$50 to \$500, to which may be added imprisonment for six months. This law has been needed for many years in Indiana.

Board of Currency at New Orleans.—We have received a copy of this Report, which is brief and comprehensive. From it we learn that the Bank of America has paid \$507,800 of her nominal capital of \$1,000,000, which is an increase of \$321,939 since the last Annual Report. The Crescent City Bank has paid in \$1,020,300 of her nominal capital of \$1,032,000, which is an increase of \$394,385 since the last Report. The several Banks have been prompt and faithful in furnishing the required information concerning their daily movements and their weekly statements. The regular Monthly Reports have been published in the State paper at Baton Rouge.

The Board present a very flattering picture of the condition of the Banks. Since the last Annual Report the amount of actual coin, in vault, of the several Banks has been at all times greatly in excess of the requirements of law, and the aggregate amount of specie now held by them is more than one-half of their total cash liabilities, while their balances of foreign and domestic exchange are unusually large. In addition, large profits have been acquired, which have enabled each institution to declare handsome dividends to the shareholders, and also to increase its surplus fund.

Reference is made to the inconvenience experienced by the Banks in settling balances in specie every week, to relieve them of which it is suggested that a *Clearing*

House be established, such as now exists in New York. This is a good suggestion, and we hope that it will be acted upon.

The Secretary of the Board is now required by law to attend the sessions of the General Assembly, and to act ex-officio, as Secretary of the Joint Committee on Banks and Banking of the General Assembly. This duty, it is stated, is inconsistent with the performance of other duties assigned the Secretary in New Orleans, and the report recommends the repeal of that portion of the law that requires his attendance at Baton Rouge.

A well-worded and well-merited tribute is paid to the memory of the Hon. George Eustis, late President of the Board of Currency, with which the report closes.—*N. O. Com. Bulletin*.

LOUISIANA.—A forged check on the Citizens' Bank for \$10,000, purporting to have been drawn by a well-known and wealthy commercial firm in this city, and to have been endorsed by another commercial firm of high standing, was presented to Mr. Cammack, the paying teller, for payment. That lynx-eyed Bank officer instantly detected the forgery, and requested the party presenting it to step into the Cashier's room, until a member of the firm whose name was to the check as drawer—who was sent for—should arrive. On his arrival at the bank the paying teller's decision as to the *bogus* nature of the check was, of course, confirmed. Yesterday another forged check of \$1,500, and one of \$3,000, purporting to be drawn and endorsed by the same parties, were also presented to the Bank. It may be well to add that these checks were negotiated in Louisville, and sent down here for collection by the commercial houses in that city, who bought them in good faith, but, we think, with a great want of circumspection. How many more of such checks may be afloat it is impossible to say. The fellow who could so easily make a raise in Louisville of \$14,550, has no doubt tried his hand at the same profitable game elsewhere.—*New Orleans True Delta*, Jan. 20.

New Orleans Dividends.—Louisiana State Bank 7 per cent.; Merchants' Bank (late Bank of James Robb) 4 per cent.; Bank of New Orleans 4 per cent. These dividends are made where the Banks by law maintain in specie 33½ per cent. of their cash liabilities. These would show a profitable business. The Merchants' Bank will increase their capital to \$1,000,000. The Crescent City Bank proposes an increase from \$1,000,000 to \$2,000,000.

MICHIGAN.—*Tax on Brokerage*.—A law of Michigan requires all persons engaged in money brokerage, to make annual returns to the State Auditor, of the amount of capital employed, and of the tax they pay into the State Treasury. For the year 1858, returns were received at the Auditor's office from seven persons and firms in that business, from which it appears that the capital of brokers in Michigan ranges from \$200 up to \$2,000, and the taxes which they pay into the State Treasury from \$2 up to \$30 per annum. The whole capital employed by those who made returns is \$6,200, and the aggregate of their taxes is \$93.

If these figures are to be taken as a guide, Michigan cannot boast of a very large banking capital. A correspondent of the *Detroit Advertiser* thinks that the law is evaded—that Michigan can make a much larger show both of brokers and capital engaged in that business, than the insignificant sum returned. He estimates, from what he regards as reliable data, the number of brokers in the State at fifty-one, the capital employed by them at \$1,105,000, and the taxes which they should pay \$16,000. He suggests a change in the law by which these gentry will be made to pay up hereafter.

Michigan Banking Law.—It is stated that the State Treasurer of Michigan is construing the new Banking Act of that State in such a stringent manner that it is doubtful if any Banks can be organized under it. Every doubtful section is construed against the Banker, and if the Legislature does not interfere, the act will probably become a dead letter on the Statute book.

MISSOURI.—In the passage of the "Richardson Bank Bill," the Missouri Legislature has struck a severe blow at the Savings Institutions of St. Louis; and also taken an important step toward preventing the circulation of the notes of foreign banks in that State. All the material amendments proposed were voted down, including one requiring the parent bank at St. Louis to redeem the notes of branches. The Savings Banks are prohibited from dealing in uncurrent money.

OHIO.—Hewson & Holmes' Money Circular says: "The position occupied by the Bank of the Ohio Valley, lately established in our city, and the influence it has already exerted to the benefit of our business men, induces us to call attention to it, and give some facts concerning it. This institution commenced business in September last upon the plan of the Suffolk Bank, Boston, upon a capital of \$51,000, of which \$34,000 was paid in; it has resolved to increase its capital to \$500,000, of which \$300,000 is offered in Cincinnati, and will be taken. \$150,000 will be offered in New York and other Eastern cities. It has already a special Bank Deposit of \$306,000 from associate Banks in Ohio, and has sold \$3,300,000 Exchange on Eastern cities, and has returned \$2,700,000 Bank notes for redemption; it has a current deposit besides of \$440,000. Its managers feel confident its exchange business will pay its expenses, and its discount line will give good dividends to the stockholders. With but one other bank in our city with its 225,000 people, ranking as third city in the Union, we see no reason why this enterprise should not succeed far beyond the expectation of its managers."

State Bank.—The State Bank of Ohio has procured a new plate for its issue of the denomination of \$10, which is a decided improvement upon the plates heretofore used by this Bank. The old plate having been successfully counterfeited, it is to be destroyed, and the outstanding issues cancelled as rapidly as returned. The following description of the new bill we find in the Ohio State Journal:

"The vignette is an exquisite little engraving, representing Agriculture, Science and the Arts, in the persons of a farmer with his sickle and scythe, a student with his book, and a mechanic with his sledge and cog-wheel. On the right hand end of the note is a most excellent portrait of the worthy and venerable President of the Board of Control, Dr. Andrews. This portrait is destitute of the usual ugly border or frame, being merely set in a finely shaded background. In order to prevent alterations, the denomination of the note occurs seven times on its face, five times in red ink, and twice in black. The red color is claimed to be indelible. The back of the note, red as in the old notes, is a most elaborate specimen of that kind of engraving. The denomination, besides appearing in large figures, occurs in letters over almost the whole of the back."

TENNESSEE.—We find the following card in a Knoxville (Tenn.) paper:—
BRANCH BANK OF TENNESSEE, Knoxville, Jan. 26, 1859.

MR. EDITOR:—I have just learned that 100 sheets of the genuine impressions (red tint) of the Bank of Tennessee were stolen from the Branch at Rogersville—these would make only five hundred dollars. I have no hesitation in saying that the President of the Bank of Tennessee will order all the Branches to redeem these spurious notes and take them out of circulation, so that the people to whom the small notes are a great accommodation, may have an entire confidence in all the circulation of the Bank.

Jno. H. CROZIER,
President of the Branch at Knoxville.

WISCONSIN.—It is claimed by some that the new statutes repeal the banking law. All laws were repealed by the last Legislature and re-enacted in the form of the Statutes. But the Banking law cannot be enacted without a vote of the people. It is a mooted point among lawyers whether or not the Banking law is repealed; but, at all events, the repeal would not affect banks already organized, and need not lead to any panic.—*State Journal.*

ANOTHER FORGERY.—\$1,500 OBTAINED ON A FORGED CHECK.—Messrs. Gilmore & Brotherton, bankers, have been victimized to the amount of \$1,564, by one or more of the accomplished villains who infest the city. On the 21st of December, a check signed Jas. Reid (who is engaged in the pork business), for the above amount, was presented at the counter of the Bank and paid. Wednesday afternoon, when Mr. Reid's bank book was balanced, and the cancelled checks returned, the forgery was discovered. The filling up and the signature are good imitations of the genuine. The check also corresponds with those contained in the check-book used by Mr. Reid; and what is more singular, it bears the impression of the stamp used by that gentleman on all checks given out at his office. It has been ascertained that the blank check could not have been taken from the book used by Mr. Reid, and the supposition is that the forger obtained, through some transaction with the house, a genuine check, and then purchased a book containing similar blanks. The stamp is kept on the desk in

the counting-room, and the proprietor and clerks being frequently absent from the latter, it was not difficult to obtain the use of it without running any great risk of being detected. Ten days having elapsed since the fraud was committed, it is not probable that the forger will be arrested. He has doubtless left the city long before this time.

FRANCE.—The Paris correspondent of the London *Economist* says:

"The affair of the new bank is still the grand question of the day in financial circles and on the Bourse. Statements have been made, and have, I see, found their way into some of the London newspapers, that the name of the Bank, the precise amount of capital, the precise operations this Bank is to undertake, who are to be its Directors, what are to be their powers, and various other matters, have been already definitively arranged.

"In sober reality, however, things are by no means so far advanced. All that up to this moment has been done is this: The Council of State was called on by the Government to say whether or not it was desirable to establish a new Bank, and if so, whether the Bank should be made a sort of new Credit Mobilier, or simply a discount Bank like the Comptoir d'Escompte. The Council, after deliberation, announced that a new Bank was desirable, and that it ought to resemble the Comptoir d'Escompte. The promoters of the affair are, I hear, somewhat disappointed at the conclusion of the Council of State, as what they wanted was a speculative institution approaching the Credit Mobilier. The statutes in which the amount of capital, the number of shares in which it is to be raised, and the field of action of the new Bank, will be defined, have not yet been presented to the Council. On the perfect authenticity of these details you may rely.

"The Bank of France has notified that its dividend for the second half of the present year is to be 48*f*. For the first half of the year the dividend was 66*f*. The total for the year is consequently 114*f*. (£4 11*s*. 3*d*.), and at the price at which the Bank shares now stand, about 3,000*f*., it is only equal to a little more than 3½ per cent. This is certainly a not very brilliant result."

ASSOCIATION OF BANKS FOR THE SUPPRESSION OF COUNTERFEITING.—Since the Annual Report was made (contained in our present number), the Board of Managers of this Association have organized by the choice of the following officers for the year 1859:—Daniel Denny, Chairman; Almon D. Hodges, Treasurer; Charles B. Hall, Secretary. Executive Committee, James G. Carney, Charles B. Hall, Almon D. Hodges, Life Baldwin, James M. Thompson. It was voted "that an assessment, at the rate of five dollars on each one hundred thousand dollars of capital stock, be laid upon the Banks for the ensuing year."

THE LONDON MONEY MARKET.

The range of consols in Lombard-street for each month of the past two years has been as follows:

	1857.		1858.	
	Lowest.	Highest.	Lowest.	Highest.
January.....	92½	94½	94½	95½
February.....	92½	93½	95½	97½
March.....	93	93½	96½	97½
April.....	92½	93½	96½	97½
May.....	92½	94	97½	98
June.....	93½	94	97½	97½
July.....	90½	92½	95	96½
August.....	89½	91½	96	97
September.....	89½	91	96½	97½
October.....	87½	90½	97½	98½
November.....	88½	91½	9½	98½
December.....	91	91½	..	..

In the year 1855 the lowest price of consols was 80½ (October), and the highest 93½ (March).

New York Bank Dividends for February.—The following are the dividends payable this month, compared with 1858:

Name.	Feb., 1858.	Aug., 1858.	Feb., 1859.
Bank of Republic,.....	5	5	5
Citizens' Bank,.....	4	4	4
Corn Exchange Bank,.....	4	3½	3½
Leather Manufacturers' Bank,.....	5	5	5
Manhattan Bank,.....	5	5	5
Marine Bank,.....	none	3½	..
Ocean Bank,.....	3½	3½	3½
Oriental Bank,.....	3½	3½	3½
St. Nicholas Bank,.....	none	3½	3½

TO BANK OFFICERS.—The Merchants and Bankers' Register for the year 1859 was issued in January. The information contained in this volume renders it a highly useful appendage to the desk of every Cashier and private banker. The list of foreign bankers shows also the London Correspondent of each. The list of London bankers is brought down to December 1858. This work contains also the dividends for six years of each bank in the city of New York, with the names of Vice-President, Cashier, Assistant Cashier, and Notary Public of each; also, I. An accurate List of the Banks in every State in the Union; the location and capital of each, names of President and Cashier of each. II. A List of private bankers in every town and city of the U. S. III. The Banks of Canada, and their foreign agents. IV. Directors and Officers of the Bank of England. V. List of Bankers in London. VI. A List of three thousand Banks and Private Bankers in Europe, Asia, Australia, South America, West Indies, &c. VII. An Alphabetical List of fourteen hundred Cashiers in the United States. VIII. List of Standard Works on Banking, Currency, Finance, Bills of Exchange. IX. The Free Banking Laws of Massachusetts, New York, Illinois, Indiana, Iowa, Louisiana, Michigan, Minnesota, Wisconsin. Copies mailed to order, price \$1 25. Postage prepaid.

Uncurrent Money.—We have received from the Metropolitan Bank, the following circular, addressed to the cashiers of New York State Banks:

METROPOLITAN BANK, NEW YORK, February 18, 1859.

SIR,—Circumstances of recent occurrence make it necessary to address you on the subject of uncurrent money.

At a convention of the interior banks of this State, held at Syracuse on the 10th instant—forty-seven banks being represented—a committee of five bank officers were chosen, namely, Messrs. E. B. Judson, of Oswego; William Williams, of Buffalo; P. V. Rodgers, of Utica; Thomas H. Rochester, of Rochester; and John D. Norton, of Syracuse, to confer with the Metropolitan Bank, on a revision of its terms for receiving uncurrent money. Four, out of the five appointed, waited upon this bank, and submitted, substantially, the following proposition from the convention. That the Metropolitan Bank receive from the country banks the currency of this State, at the discount established by law for the redemption of bank-notes at the agencies, (1¼ per cent.) that it allow the banks 15 cents on each hundred dollars, redeemed by them daily in New York, and take New England currency at a discount of one-tenth of one per cent.

The subject received a full and free discussion, and in consideration of the harmonious action of so large a number of banks—representing about ten millions of capital—the Metropolitan Bank, with the understanding that the country banks would heartily co-operate with it, resolved to accede to the wishes of the committee. Accordingly, this Bank, on the 1st of March, proximo, will receive uncurrent money on the terms proposed. With respect,

JOHN E. WILLIAMS, President.

OHIO.—The Ohio State Senate has passed the bill repealing the ten per cent. interest law, which had previously passed the House, by a very decided majority. The law takes effect on the first of April next. This amounts simply to a revival of the six per cent. law, which was in force previous to the adoption of the ten per cent. amendment. We regard this repeal as a retrograde movement for Ohio, as it will have the effect of driving eastern capital into Illinois, where the rate of interest is higher, to the loss and inconvenience of business men in Ohio. As it is, owing to the

restrictive monetary laws, Ohio has an insufficient banking capital. Cincinnati, for instance, has only three hundred thousand dollars, or about a dollar to each inhabitant, while Providence has about twenty dollars, and New York city about ten dollars to each inhabitant. There are but two chartered banks now doing business in Cincinnati, and neither have any circulation. The failure of the Ohio Life and Trust Company may be traced to the absurd banking laws of Ohio, which give license but not liberty.

Cities.—The following is a summary of the loans, specie, circulation and deposits of the banks of seven cities at the latest dates reported :

<i>Banks.</i>	<i>Loans.</i>	<i>Specie.</i>	<i>Circulation.</i>	<i>Deposits.</i>
New York,.....	\$130,442,000	\$25,991,000	\$7,950,000	\$91,965,000
Boston,.....	58,982,000	7,888,000	6,224,000	20,598,000
Philadelphia,.....	26,472,000	5,970,000	2,786,000	17,007,000
New Orleans,.....	31,280,000	16,101,000	11,600,000	21,415,000
Baltimore,.....	17,960,000	2,717,000	2,972,000	7,520,000
Providence,.....	18,037,000	537,000	2,003,000	2,513,000
Pittsburg,.....	6,964,000	1,307,000	1,965,000	1,739,000
Totals,.....	\$290,147,000	\$60,511,000	\$35,440,000	\$163,727,000

PRIVATE BANKERS.

MINNESOTA.—Messrs. Webster and Lake have established a banking house at Winona. This firm was accidentally omitted in our Bankers' Register for 1859.

IOWA.—The card of Messrs. Weare, Carpenter & Co., at Cedar Rapids, may be found in our advertising pages. They draw upon the American Exchange Bank, New York.

ILLINOIS.—A change has been made in the direction of the Central Bank, Peoria; as may be seen by reference to their card.

OHIO.—Mr. C. F. Garaghty, late Cashier of the Hocking Valley Bank, has become a partner in the banking house of Messrs. Martin & Co. at Lancaster, Ohio.

THE AMERICAN BANK NOTE CO.—We refer our readers to the card of the American Bank Note Co., whose arrangements for engraving may be considered as now perfect. We learn that the Merchants' Exchange Company contemplate adding an entire new story to their edifice in Wall street, corresponding in style with its present appearance, for the accommodation of the American Bank Note Company, now comprising all the bank note engraving firms in the United States. The principal and upper stories of the front on Wall street, from the main entrance on William street, together with other portions of the building, will also be appropriated to the use of the Bank Note Company, who have taken a lease for a term of years. The new story will greatly improve the appearance of the building, and will enable the Bank Note Company to concentrate all their operations in this city at one point, with increased security to the public, and doubtless with advantage to themselves. The new part will be of the same material as the old, and perfectly fire-proof, like the present structure; and the approaches to the vaults containing the dies and plates, will be protected and controlled by arrangements for which the building is remarkably adapted.

It is expected that the additions and alterations will be so far completed as to allow of their being occupied by the Bank Note Company on or about the 1st of May next.

COLLECTIONS IN THE WEST.—Banks and Merchants in Boston, New York, and Philadelphia, &c., are frequently at a loss for the names of responsible firms in the North, West, and Southwest. By reference to the numerous cards on the cover of this work, they may find the names of well-established banking houses (with their New York references) in New York, Pennsylvania, Maryland, District of Columbia, Virginia, Illinois, Indiana, Iowa, Kentucky, Michigan, Minnesota, Missouri, Ohio, Tennessee, Texas, and Wisconsin.

Notes on the Money Market.

NEW YORK, FEBRUARY 24, 1859.

Exchange on London, at Sixty days' sight, $9\frac{1}{2}$ a $9\frac{3}{4}$ premium.

The money market has undergone some material changes since our last number was issued, especially in the advanced rates on loans. The plethora which marked the last six months of 1858 has been followed by a more active demand for money, both for permanent as well as temporary purposes. Business is reviving under the conviction prevailing among our merchants that more activity will prevail during the year 1859. The extensive operations in real property are such as to require large cash facilities, and money is readily obtained at seven per cent on bond and mortgages. The assessments of real property in the city of New York are over five hundred millions of dollars, and already there is a stronger movement in speculation than for some years past. This facility of obtaining seven per cent interest on property double the value of the sum loaned, is a vast inducement to foreign and domestic capitalists to place their money here for permanent investment.

In foreign exchanges the market has been steady. Sterling bills, which may be considered the index of the market, have not gone beyond $109\frac{1}{2}$, nor below $109\frac{1}{2}$ for bankers' signatures during the past four weeks. These rates are slightly above the specie point, showing a balance of foreign trade against us, notwithstanding the heavy export of cotton to Europe, amounting thus far for the year, not quite six months of which have expired, to 180,000 bales; this at an average value of \$50 per bale, is equivalent to \$90,000,000. On Paris the rates have been very uniform at or about 5.12 $\frac{1}{2}$. We annex the closing rates for the steamer of this week for Liverpool, compared with the fourth week in November, December, and January:

	Nov. 25.	Dec. 28.	Jan. 26.	Feb. 23.
London, 60 days, Bankers' Bills,.....	$109\frac{1}{2}$ a $109\frac{1}{2}$	$109\frac{1}{2}$ a $109\frac{1}{2}$	$109\frac{1}{2}$ a $109\frac{1}{2}$	$109\frac{1}{2}$ a $109\frac{1}{2}$
Do do Mercantile Bills,	$108\frac{1}{2}$ a 109	$108\frac{1}{2}$ a $109\frac{1}{2}$	$108\frac{1}{2}$ a $109\frac{1}{2}$	$108\frac{1}{2}$ a $109\frac{1}{2}$
Do do with Bills of Lading,	$107\frac{1}{2}$ a $108\frac{1}{2}$	108 a $108\frac{1}{2}$	$107\frac{1}{2}$ a $108\frac{1}{2}$	$107\frac{1}{2}$ a $108\frac{1}{2}$
Paris, 60 days' sight,.....	$516\frac{1}{2}$ a 515	515 a $513\frac{1}{2}$	551 a $513\frac{1}{2}$	$513\frac{1}{2}$ a $512\frac{1}{2}$
Antwerp, "	515 a $513\frac{1}{2}$	515 a $513\frac{1}{2}$	515 a $513\frac{1}{2}$	$513\frac{1}{2}$ a $512\frac{1}{2}$
Hamburg, "	$36\frac{1}{2}$ a $36\frac{1}{2}$	$36\frac{1}{2}$ a $36\frac{1}{2}$	$36\frac{1}{2}$ a $36\frac{1}{2}$	36 a ..
Bremen, "	79 a $79\frac{1}{2}$	79 a $79\frac{1}{2}$	$79\frac{1}{2}$ a $79\frac{1}{2}$	79 a ..
Amsterdam, "	$41\frac{1}{2}$ a $41\frac{1}{2}$	$41\frac{1}{2}$ a $41\frac{1}{2}$	$41\frac{1}{2}$ a $41\frac{1}{2}$	$41\frac{1}{2}$ a ..

State loans are not as well sustained this month as in January. The absorption of ten millions in gold for account of the sub-treasury, accompanied with a prospect of further demands, has tended to lessen the inquiry for State loans. We note sales this week of government new five per cents. at $102\frac{1}{2}$, which was about the average price obtained at the last award. The sales of Missouri Sixes have been heavy at 84 a $84\frac{1}{2}$. There are no New York State loans offered; the banks taking all that can be had for banking operations. The Six per cents. of 1875 are quoted 113 a $114\frac{1}{2}$; Iowa Seven per cents., 101 a 110 ; Maryland Sixes, $103\frac{1}{2}$ a 106 ; Michigan Sixes, 101 a 103 . We annex the current values of State loans for January and February at the dates specified:

	Dec. 31st.	Jan. 7th.	14th.	21st.	28th.	Feb. 4th.	11th.	18th.
U. S. 6 per cents. 1867-'8.....	114	..	111	110 $\frac{1}{2}$	110 $\frac{1}{2}$	108 $\frac{1}{2}$	108 $\frac{1}{2}$	108 $\frac{1}{2}$
U. S. 5 per cents. 1874.....	105 $\frac{1}{2}$	104 $\frac{1}{2}$	104 $\frac{1}{2}$	104 $\frac{1}{2}$	102 $\frac{1}{2}$	102 $\frac{1}{2}$	102 $\frac{1}{2}$	102 $\frac{1}{2}$
Ohio 6 per cents. 1886.....	106	105 $\frac{1}{2}$	105 $\frac{1}{2}$	107 $\frac{1}{2}$	107 $\frac{1}{2}$	107 $\frac{1}{2}$	107	107
Kentucky 6 per cents.....	104	..	102	102 $\frac{1}{2}$	104	104	104	103
Indiana 5 per cents.....	91	90 $\frac{1}{2}$	90 $\frac{1}{2}$	92 $\frac{1}{2}$	92 $\frac{1}{2}$	93	92	92 $\frac{1}{2}$
Pennsylvania 5 per cents.....	96	92 $\frac{1}{2}$	92 $\frac{1}{2}$	93 $\frac{1}{2}$	93 $\frac{1}{2}$	93 $\frac{1}{2}$	92 $\frac{1}{2}$	97
Virginia 6 per cents.....	99	96 $\frac{1}{2}$	96 $\frac{1}{2}$	97	96 $\frac{1}{2}$	96	96 $\frac{1}{2}$	100
Georgia 6 per cents.....	102	99	99	101	100	100	100	100
California 7 per cents. 1877.....	92	85	86 $\frac{1}{2}$	86	85 $\frac{1}{2}$	84 $\frac{1}{2}$	84 $\frac{1}{2}$	84
North Carolina 6 per cents.....	100 $\frac{1}{2}$	97 $\frac{1}{2}$	97 $\frac{1}{2}$	98	98 $\frac{1}{2}$	98	98	97 $\frac{1}{2}$
Missouri 6 per cents.....	90 $\frac{1}{2}$	86 $\frac{1}{2}$	86 $\frac{1}{2}$	86 $\frac{1}{2}$	80 $\frac{1}{2}$	84	84 $\frac{1}{2}$	84 $\frac{1}{2}$
Louisiana 6 per cents.....	95	93	93	95	95	93 $\frac{1}{2}$	93	93
Tennessee 6 per cents.....	95	92 $\frac{1}{2}$	91 $\frac{1}{2}$	91 $\frac{1}{2}$	90 $\frac{1}{2}$	89 $\frac{1}{2}$	89 $\frac{1}{2}$	89 $\frac{1}{2}$

Railroad shares have declined since our January report, partly in consequence of the increased demand for money and greater difficulty in obtaining loans on collaterals. The monthly receipts of these companies are less than the corresponding months of 1857-'58. They are generally so heavily encumbered with funded debts that a large annual sum is required to liquidate the interest account. Some are under protest, and others working with little or no profit. We note a decline in the leading road shares, viz., Erie, $1\frac{1}{4}$; Harlem, $\frac{1}{4}$; Hudson River, $2\frac{1}{4}$; Michigan Central, $2\frac{1}{4}$; Michigan Southern, $2\frac{1}{4}$; Panama, $\frac{1}{4}$; Galena and Chicago, $2\frac{1}{4}$; Reading shares are quoted $\frac{1}{4}$ higher; Milwaukee and Mississippi, $\frac{1}{4}$; Chicago and Rock Island, $1\frac{1}{4}$.

The New York Central has paid this month its usual semi-annual dividend of four per cent. on a capital of about twenty-four millions of dollars; Buffalo and State Line R. R. shares are quoted 99 a 102; Camden and Amboy, 119 a 120; Cleveland, Columbus, and Cincinnati, 91 a 92; Hartford and New Haven, 128 a 125; Macon and Western, 92 a 94; New Jersey, 124 a 125; Pennsylvania Central, 85 $\frac{1}{4}$ a 86 $\frac{1}{4}$. We annex a comparison of market values of railroad shares for the past eight weeks in this market:

	Dec. 31st.	Jan. 7th.	14th.	21st.	28th.	Feb. 4th.	11th.	18th.
N. Y. Central R. R. shares,.....	84 $\frac{1}{4}$	84 $\frac{1}{4}$	86	84 $\frac{1}{4}$	84 $\frac{1}{4}$	82 $\frac{1}{4}$	78 $\frac{1}{4}$	78 $\frac{1}{4}$
N. Y. and Erie R. R. shares,....	16 $\frac{1}{4}$	17 $\frac{1}{4}$	15	14	14	13 $\frac{1}{4}$	13 $\frac{1}{4}$	12 $\frac{1}{4}$
Harlem R. R. shares,.....	13 $\frac{1}{4}$	13 $\frac{1}{4}$	13 $\frac{1}{4}$	13 $\frac{1}{4}$	13 $\frac{1}{4}$	13	13 $\frac{1}{4}$	13
Reading R. R. shares,.....	52 $\frac{1}{4}$	54 $\frac{1}{4}$	52 $\frac{1}{4}$	49 $\frac{1}{4}$	48 $\frac{1}{4}$	48 $\frac{1}{4}$	47 $\frac{1}{4}$	50 $\frac{1}{4}$
Hudson River R. R. shares,....	33 $\frac{1}{4}$	34 $\frac{1}{4}$	35 $\frac{1}{4}$	34 $\frac{1}{4}$	33	32 $\frac{1}{4}$	32 $\frac{1}{4}$	31 $\frac{1}{4}$
Michigan Central R. R. shares,.	51 $\frac{1}{4}$	53 $\frac{1}{4}$	52 $\frac{1}{4}$	52 $\frac{1}{4}$	51 $\frac{1}{4}$	50	50	50 $\frac{1}{4}$
Michigan Southern R. R. shares,	20 $\frac{1}{4}$	20 $\frac{1}{4}$	21	20 $\frac{1}{4}$	19 $\frac{1}{4}$	18 $\frac{1}{4}$	18 $\frac{1}{4}$	17 $\frac{1}{4}$
Panama R. R. shares,.....	123 $\frac{1}{4}$	117 $\frac{1}{4}$	117	116	116 $\frac{1}{4}$	114 $\frac{1}{4}$	116 $\frac{1}{4}$	115 $\frac{1}{4}$
Baltimore & Ohio R. R. shares,	56 $\frac{1}{4}$	56 $\frac{1}{4}$	56	56 $\frac{1}{4}$	56 $\frac{1}{4}$	56 $\frac{1}{4}$	59 $\frac{1}{4}$	56 $\frac{1}{4}$
Illinois Central R. R. shares,....	70 $\frac{1}{4}$	70 $\frac{1}{4}$	70	68 $\frac{1}{4}$	67 $\frac{1}{4}$	66 $\frac{1}{4}$	66 $\frac{1}{4}$	68
Cleveland and Toledo R. R....	31 $\frac{1}{4}$	32 $\frac{1}{4}$	32 $\frac{1}{4}$	31 $\frac{1}{4}$	31 $\frac{1}{4}$	30 $\frac{1}{4}$	31	31
Chicago and Rock Island R. R.	59 $\frac{1}{4}$	59 $\frac{1}{4}$	60 $\frac{1}{4}$	60 $\frac{1}{4}$	59 $\frac{1}{4}$	59 $\frac{1}{4}$	60 $\frac{1}{4}$	61 $\frac{1}{4}$
Milwaukee and Miss. R. R.,....	12 $\frac{1}{4}$	13	13	12 $\frac{1}{4}$	12 $\frac{1}{4}$	12 $\frac{1}{4}$	13 $\frac{1}{4}$	18
Galena & Chicago R. R. shares,	71 $\frac{1}{4}$	73 $\frac{1}{4}$	71 $\frac{1}{4}$	71 $\frac{1}{4}$	69	68 $\frac{1}{4}$	68 $\frac{1}{4}$	68 $\frac{1}{4}$
La Crosse R. R.,.....	2 $\frac{1}{4}$	2 $\frac{1}{4}$	1 $\frac{1}{4}$	1	1 $\frac{1}{4}$	1 $\frac{1}{4}$	1 $\frac{1}{4}$	1

In railroad bonds the market is also depressed. The litigation in reference to many of these has seriously damaged the whole, leaving a discredit on nearly every class, especially those issued on a second or third mortgage. Alleghany County, Pennsylvania, is assuming a defiant position in reference to the railroad bonds issued there, notwithstanding the decision of the Supreme Court. City loans feel severely the discredit thus attaching to all securities connected with railroads. The absence of a due sense of the importance of sustaining credit is gradually bringing a reproach upon us abroad. For many years it was only Mississippi and Florida, and Michigan, that entertained repudiation, but we find it now openly avowed in Pennsylvania, Ohio, Kentucky, Iowa, &c. Milwaukee Seven per cents. are down to 46 a 50; Memphis Sixes, 64 a 66; first class mortgage bonds are well sustained; Baltimore and Ohio R. R. Sixes, 84 a 88; Michigan Central Eight per cents., 94 a 97; Michigan Southern Sevens, 88 a 88 $\frac{1}{4}$; Little Miami Sixes, 83 a 85; Pennsylvania Central Sixes, 101 a 103; Watertown and Rome Seven per cents., 98 a 100. We annex the closing prices of miscellaneous securities for the past eight weeks:

	Dec. 31st.	Jan. 7th.	14th.	21st.	28th.	Feb. 4th.	11th.	18th.
Erie Railroad 7's, 1859.....	86	88	88	86	87 $\frac{1}{4}$	87	87	87
Erie bonds, '75.....	44 $\frac{1}{4}$	45	46	43 $\frac{1}{4}$	44	43 $\frac{1}{4}$	44	40
Erie Convertibles, 1871.....	45	45 $\frac{1}{4}$	40	39 $\frac{1}{4}$	40	40	40	40
Hudson River R. R., 1st mort...	103	104 $\frac{1}{4}$	104 $\frac{1}{4}$	104 $\frac{1}{4}$	101 $\frac{1}{4}$	101	101	101 $\frac{1}{4}$
Panama Railroad bonds.....	115	120	120	115	110	115	115	114 $\frac{1}{4}$
Illinois Central 7's.....	87 $\frac{1}{4}$	89	89 $\frac{1}{4}$	89	89 $\frac{1}{4}$	87	88 $\frac{1}{4}$	89 $\frac{1}{4}$
New York Central 6's.....	90 $\frac{1}{4}$	90 $\frac{1}{4}$	90 $\frac{1}{4}$	91 $\frac{1}{4}$	92	91 $\frac{1}{4}$	92	92
Canton Co. shares.....	..	19 $\frac{1}{4}$	20 $\frac{1}{4}$	20	19 $\frac{1}{4}$	20	20 $\frac{1}{4}$	20 $\frac{1}{4}$
Pennsylvania Coal Co.,.....	80	82 $\frac{1}{4}$	83 $\frac{1}{4}$	85 $\frac{1}{4}$	85 $\frac{1}{4}$	82 $\frac{1}{4}$	81 $\frac{1}{4}$	80 $\frac{1}{4}$
Cumberland Coal Co.,.....	..	..	21 $\frac{1}{4}$	21 $\frac{1}{4}$	..	21	20 $\frac{1}{4}$	24 $\frac{1}{4}$
Del. and Hudson Canal Co.,....	98 $\frac{1}{4}$	99	99 $\frac{1}{4}$	99 $\frac{1}{4}$	99 $\frac{1}{4}$	99 $\frac{1}{4}$	99 $\frac{1}{4}$	99 $\frac{1}{4}$
La Crosse Land Grant bonds...	24 $\frac{1}{4}$	24 $\frac{1}{4}$	23	23	22 $\frac{1}{4}$	22 $\frac{1}{4}$	24	23
Pacific Mail Steamship Co.,....	90 $\frac{1}{4}$	92 $\frac{1}{4}$	91 $\frac{1}{4}$	87	86	77 $\frac{1}{4}$	74 $\frac{1}{4}$	78 $\frac{1}{4}$

The annexed table shows the changes for the present month in the banking movements of the city, compared with the previous dates :

18 '8.	Loans.	Circulation.	Deposits.	Sub-Treasury.	Bank Specie.	Total Specie.
Jan. 2,	\$98,549,000	\$6,490,000	\$78,635,000	\$3,259,000	\$28,561,000	\$31,820,000
Feb. 6,	103,602,900	6,873,000	86,000,000	3,168,700	30,652,900	33,821,600
Mar. 6,	105,021,000	6,854,000	90,382,000	2,996,700	32,739,700	35,736,400
April 3,	110,588,000	7,232,000	93,589,000	5,548,000	31,530,000	37,078,000
May 1,	111,865,000	7,431,000	98,438,000	3,145,400	35,064,200	38,209,600
June 5,	116,424,000	7,548,000	101,429,000	5,263,300	32,790,300	38,053,600
July 3,	119,812,000	7,458,000	106,803,000	5,820,000	33,830,200	39,650,200
Aug. 7,	120,892,000	7,784,000	107,454,000	5,553,000	35,145,000	40,698,000
Sept. 4,	125,885,000	7,748,000	103,347,000	13,077,000	28,848,000	41,125,000
Oct. 2,	123,659,000	7,875,000	104,901,000	11,100,600	28,533,000	39,633,700
Nov. 6,	126,809,000	8,186,000	109,217,400	8,356,000	26,337,300	34,693,300
Dec. 4,	126,338,000	7,837,000	89,541,000	6,345,500	27,407,700	33,753,200
1859.						
Jan. 8,	128,538,642	7,930,293	92,826,623	4,202,200	22,399,800	32,602,000
Jan. 29,	129,663,000	7,483,000	93,837,000	7,230,000	27,725,000	34,955,200
Feb. 5,	130,442,000	7,950,000	91,965,000	8,103,000	25,991,000	34,085,000
Feb. 12,	129,106,000	7,872,000	89,346,000	8,040,000	25,418,000	33,460,000
Feb. 19,	127,476,000	7,766,000	89,026,000	6,770,000	26,344,000	33,115,510

The export of coin to Europe, &c., from 1st of January to 21st of February, 1859, as compared with previous years, has been as follows :

1852.....	\$5,695,000	1856.....	\$563,000
1853.....	1,329,000	1857.....	2,892,000
1854.....	2,045,000	1858.....	8,364,000
1855.....	793,000	1859.....	4,287,000

Money at New York is very abundant among the brokers at 4½ a 5 per cent., and some of the banks are apparently endeavoring to expand again. It will be curious to compare, next week, the statements of the loans of each of the large banks with those which appeared this morning. Discounts are not yet done below six per cent., though many expect a relaxation in the discount market.

Our last advices from London are to the 5th instant, when consols had declined. It appears from the papers that the decline in consols was less due to those sections of the Queen's speech which refer to Mexico than to the omission of any positive assurance with regard to the designs of the Emperor of the French upon Italy. Private Letters from London, from parties usually well informed, state that the speech has caused great uneasiness in financial circles, and that, considering the preparations which are being made by the governments of France and Sardinia, very little hope now remains of maintaining peace. It is considered very improbable that, in the present state of the French finances, the Emperor would go to the very large expenses he is incurring to put his army, and even his navy, on a war footing, if nothing was to come of it. The various public securities of Europe were depressed by the Queen's speech. The French rentes declined from 68.35 to 67.40; and the Russian, Austrian and other national securities were dull and lower on the London Exchange. The new Austrian loan is quoted nominally from par to ¼ premium. Mexican stock rose from 20 to 20½ a ¼ on the strength of the Queen's assurance that the rights of the bondholders would be protected by force. American securities are generally quoted quiet.

DEATHS.

AT PHILADELPHIA, on Monday, 17th January, GEORGE PHILLES, Esq., in the 72d year of his age, for several years Cashier of the Bank of Pennsylvania.

THE
BANKERS' MAGAZINE,
AND
Statistical Register.

VOL. VIII. NEW SERIES.

APRIL, 1859.

No. 10.

THE BANKING SYSTEM OF NEW YORK.

THE banks of New York are divided into four classes. I. The Chartered Banks, whose charters were granted at various times between the years 1784 and 1829. II. The Safety Fund Banks, chartered from 1829 to 1838. III. Banking Associations, of which there are forty-nine in this city. IV. Individual Banks, of which there were thirty-four in the State in December, 1858, but none in this city at present. Of those established in this city, all the charters have expired, except five, viz.: 1. The Manhattan Co., established in 1799, charter perpetual. 2. The New York Dry Dock Bank, charter unlimited. 3. The Leather Manufacturers' Bank, charter granted in April 1832, and will expire in 1863. 4. The Seventh Ward Bank, charter granted in 1831, and will expire in 1863. 5. Bank of the State of New York, charter granted in 1836, and will expire in 1866. Of the old banks of the city whose charters have expired, there are sixteen now doing business under the general law of 1838. These are: 1. The Bank of New York, established in 1791, and the first bank established in the State. 2. The Merchants' Bank, 1805-1857. 3. The Mechanics' Bank, 1810-1855. 4. The Union Bank, 1811-1853. 5. The Bank of America, 1812-1853. 6. The City Bank, 1812-1852. 7. The Phenix Bank, 1812-1854. 8. North River Bank, 1821-1842. 9. Tradesmen's Bank, 1823-1855. 10. Chemical Bank, 1824-1844. 11. Fulton Bank, 1824-1844. 12. Merchants' Exchange Bank, 1828-1849. 13. The National Bank, of which Mr. Albert Gallatin was the President, 1829-1857. 14. The Butchers and Drovers' Bank, 1830-1853. 15. The Greenwich Bank, 1830-1855. 16. The Mechanics and Traders' Bank, 1830-1857.

We have received from the Bank department at Albany, a copy of the printed quarterly returns of the banks of this State, under date December 18th, 1858. The following is a summary of the liabilities and resources of the three classes, according to this report:

LIABILITIES.	5 Chartered City Banks.	49 Banking Associations New York City.	27 Chartered Banks, Country.	186 Banking Associations, Country.	34 Individual Banks.	301 Total.
Capital,.....	5,350,000	62,669,575	\$5,705,660	\$34,942,935	1,790,300	\$110,258,480
Circulation,.....	1,072,107	6,489,331	4,206,697	15,078,817	1,661,038	28,507,990
Profits,.....	1,144,235	6,614,928	1,594,611	3,777,394	281,511	13,412,679
Due other Banks..	2,050,719	26,419,157	1,087,904	5,505,159	71,110	35,134,040
Due others,.....	2,081	521,673	32,956	439,231	47,854	1,043,745
Due Treasurer of State,.....	274,237	45,746	117,920	1,809,329	74,604	2,294,836
Due Depositors,...	8,215,783	73,286,124	4,187,117	20,589,537	1,892,401	108,170,962
Miscellaneous,....	147,078	302,695	217,326	993,055	120,861	1,781,325
Totals,.....	\$18,229,190	\$176,349,237	\$17,150,191	\$82,935,679	\$5,939,681	\$300,604,126
RESOURCES.						
Loans,.....	12,694,873	112,263,191	12,555,613	51,355,459	3,280,887	192,150,023
Overdrafts,.....	8,453	45,984	43,025	240,958	60,569	397,330
Due from Banks, ..	333,371	5,376,368	2,655,346	6,318,401	296,073	15,169,559
Real Estate,.....	584,192	5,401,965	367,977	1,819,894	120,397	8,264,425
Specie,.....	2,447,195	24,365,069	325,887	1,119,664	78,169	28,335,984
Cash Items,.....	1,779,974	15,426,008	236,692	962,715	32,478	18,436,967
Stocks,.....	136,893	11,001,266	250,546	12,735,032	1,055,147	25,268,884
Bonds and Mort- gages,.....	87,079	422,879	387,050	6,648,024	882,143	8,427,175
Bills of other Banks,.....	83,065	921,248	182,633	744,787	117,864	2,049,607
Expense Account,	84,995	836,757	145,340	990,460	45,877	2,104,402
Totals,.....	\$18,229,190	\$176,349,237	\$17,150,191	\$82,935,679	\$5,939,681	\$300,604,126

These tables show conclusively what portion of the banking system is filled by New York city. The capital and loans of the city banks are more than two-fifths those of the country; the deposits about three-fourths.

The column of individual banks (thirty-four in number) shows that their business is almost entirely based upon credit; and that they would come to a "lame conclusion" if pressed by any series of unfavorable events. Their liabilities to the public are nearly four millions. Their active means consisting of

Balances in other banks,.....	\$298,000
Specie,.....	78,000

As to business paper, it is well known that while every thing is prosperous, such paper will be met, but when the banks cannot do fresh paper, the old must be renewed or go to protest. The business has been resorted to by many who were inexperienced; the results upon both banker and the community were unfavorable. The banker in many cases lost his capital, because it was too small for a legitimate business, and the currency created was deceptive. Over one hundred of these individual banks were in existence between 1850-1858, and only thirty-four now left.

One of the weakest points that mark the general banking system of our State, is the privilege of establishing "individual banks," whose capital

is either nominal or fictitious, and whose circulation is based upon securities unavailable in times of commercial revulsion; whose managers reside hundreds of miles from the nominal places of bank location; whose issues create fictitious values of property and speculation in trade, thus damaging the honest and steady trader and manufacturer, for the (*apparent*) benefit of the illegitimate or speculative one.

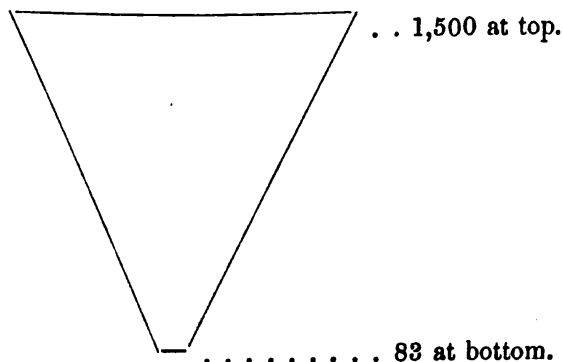
Banking thus largely becomes a trade, open to the new-born banker, who, without education or experience, enters the field only to "burn his own fingers," and waste that small capital upon which he prospectively based a large and remunerative business.

These results are fully demonstrated by the numerous failures of small banking concerns within this State since the gold fever of 1849, '50, by the sudden inflation, or still more sudden depression of their bank note currency, as seen by the quoted prices at which their notes are redeemed; showing that the capital invested has been exhausted, and a deficit of assets created to meet liabilities to the community at large. The official data before us (see bank report of January, 1859) show that, within six years only, fifty-two of these so-called banks have voluntarily closed business.

Out of these, all located in remote counties, some in inaccessible wilds of St. Lawrence, Alleghany, Washington, Hamilton, Warren, and other counties, no less than twenty-six were owned and controlled in this city. What a farce has this become! What a legalized fraud upon the legitimate banker who aims at a sound and steady currency, and upon the three millions of people who have, in general terms, no means of ascertaining the ownership, whereabouts, or bottom of such concerns!

Is it not the duty of the legislature to create such stringent regulations as shall not only secure the bank creditors against loss, but (what is vastly more important) primarily forbid the creation of a currency founded merely on credit, and having a perpetual tendency to disturb the commerce and banking system of the State in creating fictitious values?

Is it not evident, that if by any series of unfavorable changes in the market, these "individuals" were called upon to retire, say one-third of their bills, or \$500,000, that their specie would be exhausted, and thus they would have to call upon Wall street to stand in the gap? While the individual banker and his customers are thus constantly exposed to instantaneous loss by the creation of an inverted financial cone, standing thus:



the merchant and manufacturer of our own city promptly feel this outside pressure. The city banker, in his efforts to sustain our country friends,

tightens the discount line at home to his own customers—who, utterly ignorant of the state of things in St. Lawrence, Warren, the Adirondac, &c., are suddenly turned down at the discount board.

Is not the present system equivalent to a legal stamp upon a counterfeit coin? We acknowledge that the evil has been largely abated since 1857, the financial atmosphere having been purified by the hurricane of October of that year. But there is much to be done yet to secure the State against a recurrence of such events. Thus the official report of September last shows an aggregate circulation issued by the thirty-four "individual banks" to the extent of \$1,533,000, their liabilities to depositors, \$1,714,000, and aggregate liabilities (besides those to stockholders) of four millions. Their specie, \$83,000! bonds and mortgages, \$867,000!

The reciprocal influence of and dependence upon each other, are thus strongly and continually felt by the country banker and the city banker. They are both members of one fraternity, and a violation of the ordinary rules of finance is promptly and reciprocally felt. Let the city banker be ever so cautious and conservative, he must feel, if only temporarily, the effects of unsound banking in the interior. Hence the obvious importance of maintaining, in both city and country, an observance of the same sound principles which should govern each and all.

There is a community of interests in this matter which cannot be overlooked or ignored; but the practical operation of the system may be beneficially secured by permitting the aggregate specie reserve of the whole State to remain on deposit in New York city, provided such aggregate reserve is fully equal to 25 per cent. of the aggregate cash liabilities (circulation excepted) of the banks of the whole State. A limit of 25 per cent. by law would secure practically a reserve of 30 per cent.; and any reduction below the latter would be felt as unsafe.

The security of the community, the accommodation to borrowers, more regular dividends to stockholders, would all be better secured by such an amendment of the general law as will prohibit hereafter the establishment of any bank of issue with a less capital than \$100,000. This sum would require a combination of capital and capitalists, and remove the management from the "individual banker" to a respectable body of shareholders and directors. II. A specie reserve by the city banks of a sum equivalent to 25 per cent. of the cash liabilities of the banks (excluding circulation) of the State. III. A limit of loans according to capital, as in Massachusetts.

The city banks owe the interior banks about 28 millions of dollars, liable to demand from day to day—a fair portion of this certainly should be maintained in coin—say one-third. They also owe individual depositors 80 millions, large portions of which are claimed from day to day—sometimes at the rate of one or two millions in specie per week for foreign export. Besides this, there are very heavy sums on deposit in hands of private bankers, invested in long and short loans, for large portions of which they are liable to daily demand. An unfavorable state of the foreign exchanges, domestic turmoil, foreign wars, disturb these balances, and prudence should dictate a fair margin of specie to protect these.

We cannot escape or shut from view these liabilities. The city of New York assumes a vast responsibility in becoming, as it is, the banker for the whole country. This responsibility is annually becoming greater.

The cash liabilities of our city banks, now over one hundred millions to the country, will ere long be one hundred and fifty or two hundred millions. Her creditors from Maine to California, as well as in Europe, have a right to demand that the city, as the financial and commercial centre of the Union, shall maintain an upright and invulnerable position, and adopt such measures by legal enactment as shall secure us from a recurrence of the scenes which marked the year 1857.

As long as New York shall maintain a strictly conservative course, she will not only secure for herself a character for commercial integrity, but maintain a check upon unsound banking in all other parts of the Union. We hope the legislature will appreciate the responsibilities under which they have met, and not put off, to a more convenient season, the obvious reform required.

THE BULLION BANK OF NEW YORK.

[It is understood that this institution will commence operations at an early day. As much interest is felt in its plan, we are authorized to republish the "Articles of Association."]

ARTICLES OF ASSOCIATION

Entered into at the City of New York, this seventeenth day of February, one thousand eight hundred and fifty-nine.

WE, whose names are hereto affixed, have associated for the business of banking, under the Act of the Legislature of the State of New York, entitled "An Act to Authorize the Business of Banking," passed April 18th, 1838, and the other laws of the State of New York on the same subject; and we do hereby accept the privileges and powers granted, and the exemption from individual liability provided by said laws, under the following regulations:

ARTICLE I.—*Sec. 1.* The name of our Association is "THE BULLION BANK OF NEW YORK." Its operations of discount and deposit are to be carried on in the city of New York.

Sec. 2. Its capital stock is one million of dollars, divided into one thousand shares of one thousand dollars each, which may be increased, as herein provided, at any time, and from time to time, to the extent of ten millions of dollars.

Two-thirds of all the directors may recommend an increase of the capital; if approved of by the owners of a majority of the shares, such increase shall be made. The new shares shall, in every such case, be offered to the then existing shareholders, in proportion to their several amounts of stock. Such of the new shares as may not be so taken, may be disposed of in such way (but not under their par value) as the Board of Directors may order.

Sec. 3. The Association shall begin on the day of the date hereof, and

shall terminate on the first day of January, one thousand nine hundred and fifty-nine.

ARTICLE II.—This Association shall not lend or make use of any of the money of its depositors.

It shall not deal in exchange.

It shall not lend money to any director, officer, clerk, or other agent or servant of the Association; nor shall it lend money on its own stock.

ARTICLE III.—*Sec. 1.* The following persons are hereby appointed the first Directors of the Association :

JAMES BOORMAN,	JOHN J. CISCO,
MATTHEW MORGAN,	GEORGE OPDYKE,
FRANCIS COTTENET,	FRANCIS BURRITT,
JOHN A. DIX,	JOHN T. JOHNSTON,
THOMAS W. LUDLOW,	EDWARD JONES,
CHRISTOPHER R. ROBERT,	MORRIS KETCHUM,
JAMES BENKARD,	BENJAMIN H. FIELD,
SYDNEY MASON,	JOHN D. VAN BUREN,
	ISRAEL CORSE ;

on whom and their successors are conferred (subject to these articles) all the powers and the management of the business of the Association, with authority to delegate any of the same, or any portion thereof, to committees of their own body or to the officers of the Association.

Sec. 2. The directors may (provided two-thirds of them assent) increase their number, so that the whole number do not exceed twenty-one; and they shall appoint the additional directors in the same manner as is herein-after provided for filling vacancies in the board.

Sec. 3. Every director shall be a citizen of the United States of America, and shall, at the time of his appointment, be a shareholder of the Association, to the extent of at least ten shares.

Sec. 4. Every director shall cease to hold his office upon his ceasing to be a shareholder to the extent of ten shares, or upon his absenting himself from the meetings of the Board for six successive months, unless absent on business of the Association. Upon the office of a director becoming vacant as above provided, or by his death or resignation, a majority of all the remaining directors shall, by a written act, appoint his successor.

Sec. 5. A majority of all the directors shall, as often as the office may be vacant, appoint, by a written act, one of their number to be the President; who is hereby indicated as the person to take and make all conveyances of real estate for the Association. They shall, in like manner, appoint one of their number to be the Vice-President, who, in case of the absence, disability, death, resignation or removal of the President, shall, for the time, discharge the duties of the President. They shall, in like manner, appoint a Cashier; but no appointment of a Cashier shall be valid without the approval of the President. All other officers, clerks, agents, and servants of the Association shall be appointed in such manner as the by-laws may direct, provided that all appointments shall be subject to the approval of the President.

Sec. 6. A majority of all the directors may, by written act, remove from office the President, Vice-President, or Cashier.

Sec. 7. A majority of all the directors shall constitute a board or quorum; and by a vote of the majority of such quorum all business may be transacted, except such as, by special provisions hereof, requires the assent of a majority of two-thirds of all the directors.

Sec. 8. The Board of Directors shall meet, for the transaction of business, at least once a month; and shall cause examinations to be made of the affairs of the Association, by committees of their own body, at least once in every three months.

ARTICLE IV.—The President shall have power to suspend from duty, until the next meeting of the Board, all officers and agents and servants of the Association (except the Vice-President), and, with the assent of the Board, to remove them. He shall also have power to fill vacancies until the action of the Board.

ARTICLE V.—The Board of Directors may, twice in each year, make dividends of the profits; but no dividend shall be made without the assent of a majority of all the directors.

ARTICLE VI.—Transfers of the shares of the Association may be made, in such manner and on such conditions as may be prescribed by the by-laws.

ARTICLE VII.—By-laws for the further regulation of the business may be made and altered by the Board of Directors, by the assent of a majority of all the directors; but no alteration of a by-law shall be made except upon notice in writing given at a previous meeting.

ARTICLE VIII.—Whenever in these articles a majority or two-thirds of all the directors is spoken of, a number of directors is meant such as would constitute a majority or two-thirds of a full board, notwithstanding that there may be vacancies in the board.

ARTICLE IX.—There shall be an annual meeting of the shareholders on the second Monday of November, of which due notice shall be given; at which meeting a full statement of the affairs of the Association, signed by the President or Vice-President, and Cashier, shall be submitted. At such meeting the shareholders may elect, out of their own body, a committee, whose duty it shall be to examine all the affairs of the Association, for which purpose they may personally inspect all its accounts, securities, assets, and vouchers, and may require the aid of any of the directors or officers. The result of such examination shall be submitted to the next annual meeting; or to a special meeting to be called by such committee, if they deem it advisable. The shareholders may, at their annual or special meeting, by a vote of two-thirds of all the shares, remove from office one or more of the directors; provided that, by a vote of a majority of the shares represented at such meeting, they shall, in such case, substitute others in place of those removed; and, until such substitution be made, the removal shall not take effect.

Each shareholder shall cast as many votes as he may own shares. Shareholders may appear and vote at their meetings by proxy; but no executive officer, clerk, agent, or servant of the Association shall vote upon a proxy.

ARTICLE X.—*Sec. 1.* A majority of all the directors may accept for

the Association an Act of Incorporation, provided that by such Act of Incorporation all the prohibitions of article second be kept in full force.

Sec. 2. These articles may be amended by the amendments being proposed in writing by a majority of all the directors; which amendments shall be binding, if, within six months after being so proposed, they shall receive the assent in writing of the owners of three-fourths of all the shares; provided that none of the prohibitions of Article second shall, in any event, be repealed or lessened in force or extent.

Sec. 3. The Board of Directors shall wind up the affairs, distribute the assets, and dissolve the Association, at any time on the written request of the owners of two-thirds of the shares.

BANKING IN LONDON IN 1858.

CAPITAL, LOANS, AND DIVIDENDS OF THE JOINT-STOCK BANKS, FOR THE YEAR 1858.

THE half-yearly meetings of the several joint-stock banks in London being now completed, the subjoined tables have been made up, exhibiting their respective capitals and extent of transactions, as well as the periods at which they were severally opened. The first table shows the capitals and liabilities, in the latter of which there has been a diminution during the year of £1,697,885, or about 4 per cent., consequent upon the reduction in the amounts deposited at call at the present low rate of interest. The falling off, however, has been confined to the London and Westminster and London Joint-Stock, nearly all the others having experienced an increase. The second table specifies the amount of each guarantee fund, the ratio of capital and guarantee fund to liabilities, and the rate of distribution just declared, that of the London and Westminster, which in 1857 was 14 per cent., being now 18, while that of the London Joint-Stock has advanced from 22½ per cent. to 32½. The dividends of the others have continued without alteration. The third table supplies a statement of the progress of each establishment during the past ten years:—

<i>Banks.</i>	<i>Year Founded.</i>	<i>Actual Capital. £.</i>	<i>Current Deposits. £.</i>	<i>Guar- anteed Fund. £.</i>	<i>Rate of di- vidend and bonus per annum. Per cent.</i>
London and Westminster.....	1834	1,000,000	11,465,815	169,834	18
London Joint-stock.....	1836	600,000	9,867,722	202,867	32½
Union Bank of London....	1839	600,000	10,146,865	165,000	15
London and County.....	1839	500,000	4,284,126	105,000	12
Commercial Bank of London....	1839	300,000	902,884	75,000	6
City Bank.....	1855	300,000	1,749,747	80,000	5
Bank of London.....	1855	300,000	1,300,902	8,160	5
Unity Bank.....	1855	172,660	106,718	.....	..
Western Bank of London.....	1856	200,000	278,951	2,248	8
Totals,.....		£3,972,660	39,538,280	757,604	

Current and Deposit Accounts.

<i>Banks.</i>	<i>Year 1848.</i>	<i>Year 1853.</i>	<i>Year 1858.</i>
	£	£	£
London and Westminster.....	3,089,659	6,259,540	11,465,815
London Joint-Stock.....	2,828,056	5,010,628	9,867,722
Union Bank of London.....	2,644,728	4,878,781	10,146,865
London and County.....	1,854,730	3,417,180	4,264,126
Commercial Bank of London.....	406,217	1,246,824	902,884
Totals,.....	£9,823,890	20,812,848	86,146,912

The ratio of paid-up capital to current and deposit accounts in the aggregate is 10·40 per cent.; of guarantee fund, 1·91 per cent.

The *Bankers' Magazine* furnishes the returns of the circulation of the private and joint-stock banks in England and Wales for the four weeks ending the 18th December. These returns, combined with the circulation of the Scotch and Irish banks for the same period, and the average circulation of the Bank of England for the four weeks ending the 15th of December (the nearest date furnished by their returns), will give the following result of the circulation of notes in the United Kingdom, when compared with the previous month:

<i>Banks.</i>	<i>Nov. 20, 1858.</i>	<i>Dec. 18, 1858.</i>	<i>Decrease.</i>
	£	£	£
Bank of England.....	21,077,449	20,118,189	964,260
Private Banks.....	3,456,409	3,325,405	131,000
Joint-stock Banks.....	2,970,917	2,877,284	93,633
Total in England.....	27,504,775	26,315,828	1,188,947
Scotland	4,388,805	4,355,438	33,367
Ireland	6,835,115	6,756,889	78,226
United Kingdom.....	88,728,195	87,428,155	1,299,040

And as compared with the month ending the 19th of December, 1857, the above returns show a decrease of £18,382 in the circulation of notes in England, and an increase of £712,971 in the circulation of the United Kingdom.

On comparing the above with the fixed issues of the several banks, the following is the state of the circulation:

The English private banks are below their fixed issue.....	£1,079,580
The English joint-stock banks are below their fixed issue.....	425,128
Total below fixed issue in England.....	£1,504,658
The Scotch banks are above their fixed issue.....	1,268,229
The Irish banks are above their fixed issue.....	402,895

The average stock of bullion held by the Bank of England in both departments during the month ending the 15th of December, was £18,875,546, being an increase of £153,770, as compared with the previous month, and an increase of £10,840,425, when compared with the same period last year.

The following are the accounts of specie held by the Scotch and Irish banks during the month ending the 18th of December:—

Gold and silver held by the Scotch banks.....	£2,543,905
Gold and silver held by the Irish banks.....	2,501,102
	<hr/> £5,045,007

Being an increase of £87,116, as compared with the previous return, and an increase of £414,169, when compared with the corresponding period last year.

THE HISTORY OF MONEY.

We copy from "The Century," one of our best weekly papers, the following extracts from the address of Dr. Lieber, at the lecture room of the Historical Society. [Ed. B. M.]

BEFORE passing to Greek Commerce, Dr. L. proposed to consider the history of that medium of exchange which we call money—the origin, the growth, the genesis of money. It arose in the degree of desire by which one thing was more wanted than another. The most desired commodity was taken in exchange. Barth, in Negritia, was a whole day exchanging, to get at some particular article. He found narrow strips of cotton to be money. In South Africa lances are this medium of exchange. They have one advantage—they may be kept without spoiling. That is a requisite. We all want ice in summer, but it would hardly do to make it a medium of exchange. Clapperton speaks of blocks of salt used for money in the interior of Africa; Prescott, the historian, of cocoa beans in Mexico. Thus money first suggests itself and grows naturally out of the state of things. People don't come together and say let us adopt money. It comes into use. It is also not merely an exchangeable thing, but it is used to value other commodities. It is not a measure of value, taken in the abstract sense, for there are two things to be valued, the money and what it buys. We notice the motive of acquiring it, oftener vanity than utility, though the latter is not excluded. Barbarous people seek ornaments, but commonly of some lasting material, as the metals. For centuries money was weighed. The Jews, who had no coin, always weighed it. This survives in the names of pounds, ounces, livre, mina—all derived from weight. The first coined money is private money. Bechtler, a German, for a time carried on private coinage in Rutherford County, North Carolina. His coins were stamped with his name and the denomination; they circulated freely in Georgia, North and South Carolina and Tennessee.

In addition to these facts stated by Dr. Lieber, we may mention an incident which came under our own observation.

A merchant from the South brought to Philadelphia the sum of \$2,700, in Bechtler's coinage; it produced between one and two dollars' premium on the whole amount, showing the accuracy of the assay and valuation. Bechtler, on his death, was succeeded by his son. The establishment of the

mint at Charlotte superseded these works. The business was conducted by the Bechtlers, from the beginning to the end, with the entire confidence of the community.

Coinage was a necessity from the difficulty of weighing and assaying the metals. In Asia they carry a touchstone and scales. Lord Macartney, in his embassy to Peking, had a High Mandarin approaching from behind with his touchstone to test the epaulettes of one of his officers.

* * * * *

The lecturer resumed the subject commenced in the previous lecture of his course, by an allusion to the employment of others in the world at this hour in the celebration of the birth day of the inspired plough boy, who, indeed, had little to do with money, and, with other poets, had joined in censure of the accursed gain, even as Shakespeare had written of "saint seducing gold," and Milton had pictured Mammon:

By him first
Men also, and by his suggestion taught,
Ransack'd the centre, and with impious hands
Rifled the bowels of their mother earth
For treasures better hid.

There was an old prejudice against money. Fletcher of Saltoun, the friend of Algernon Sidney, in his second book of the Affairs of Scotland, proposed to abolish all interest. The sentiment was shared by the Socialists of our own time. Not long since there was in this city a paper with its motto "Death to all Capital." The word money carried with it ideas of vice, covetousness, meanness, a sordid disposition. Is it different from language in this respect, which may be moral or immoral, but which we still consider divine in its origin? As it may be used or abused, so, in the universality of its use, money is one of the greatest blessings of mankind.

Money may vary with its origin. With an agricultural people a favorite form was in cattle, witnessed by the language of Homer in estimating the exchange of armor between Glaucus and Diomedes—the one worth a hundred oxen, the other of the value of nine. In a history of Nova Scotia, the lecturer had seen tabular assessments of taxes in beaver skins for the unit. The beaver skin was then the dollar of Nova Scotia, and other skins were fractions of it. In the West he had once been witness to a haggling scene over the purchase of a gun, when one of the parties proposed—"Give me a cow, and have no more about it." It is not necessary that the article of valuation should survive in use. The community may go on the same, though the thing has become extinct. Hence the terms "ideal money," "mental money"—all unnecessary. It is a standard of value, and there an end. In Hamburg millions are exchanged in the name of the mark banco, but no such coin exists, nor is there any native coin of that commercial city—though, of course, foreign coins are in use. Money may, in fine, be regarded as that commodity which almost all are so desirous of procuring that each is willing to take it without reference to personal consumption.

After the private coinage of money by merchants, we have priests and temples issuing it; afterwards, cities; at last Government takes the coinage in its own hands. It does not add to the value beyond the convenience of the stamp. When Frederick the Great debased the currency in the Seven Years' War, it was simply a fraud—nothing more or less. Gold has its value independently of the stamp. After the battle of Vittoria, in Spain,

Napier tells us that it rose twenty, thirty, fifty, a hundred times the value of silver—from the superior convenience of carrying it by the soldiers.

Money, a common coin, was developed during the formative period of nationalization, in the Middle Ages, when the languages arose, and after literature, the law. It is never so difficult to convince people in matters of law, politics or theology, as it is to change their habits. The problem was, in reforms of the currency, to change the money in the minds of market women. Fifty years after the change by the revolution in France it needed an edict of Louis Philippe to enforce it. Even in our own country, with our convenient dollars and cents, are we not still, in the different States, thinking inconveniently in shillings and pence? Just so with the use of thermometers. People would not be cold in Centigrade or perspire by Reaumur; they would freeze and thaw only by their accustomed Fahrenheit. Still, the tendency to uniformity went on, just as with dress, which had drawn the habits of modern nations to a resemblance, while a Spartan going to Athens was known at once by the difference of his garb, and nobody now-a-days can distinguish a gentleman from St. Petersburg in that way, and thus society would go on till the work of uniformization, if the word can be allowed, shall be completed.

THE DEBTS OF ENGLAND AND FRANCE.

From the London Economist.

IN a recent number we showed from reliable returns, that while, at the close of the long European war in 1815, the public debt of France amounted only to £50,646,000, it had risen at the commencement of the reign of Louis Philippe in 1830 to £177,068,000, and to £213,825,000 under the Republic in 1851. During the subsequent seven years, that is on the 1st of January, 1858, it had further increased to £336,883,868. The amount of interest, which in 1815 stood at £2,532,304, had increased to £12,435,200 at the commencement of 1858.

At the close of the war in 1815, the funded debt of England stood (on the 5th of January, 1816) at £816,311,941:—in 1830 it was reduced to £771,251,932; and in 1851 it was £769,272,562. Including the Russian war loans, it had increased on the 31st of March, 1858, to £779,225,495. On the 5th of January, 1816, the annual charge on the funded debt of England was £30,462,023; and on the 31st of March, 1858, it was £27,495,853. While, therefore, the debt of France had increased during the forty-three years from 1815 to 1858 by the sum of £286,237,760, and the annual charge by the sum of £9,902,896—the public debt of England had diminished by the sum of £37,086,446, and the annual charge by the sum of 2,966,170.

Before referring to the conclusions to which these remarkable facts point, it will be interesting and instructive in many respects if we inquire in what way these large national obligations are distributed among the populations

of the two countries. There is a general impression that the funded debt of Europe, but especially that of England, is held chiefly by large capitalists. This, however, is far from being the case, even in England, and much less is it so in France. It appears from a return before us, that in 1857 the funded debt of England was held by no fewer than 268,995 persons, and as the amount was then £780,119,722, it follows that the average capital sum possessed by each was only £2,900; and as the annual interest was £27,411,995, that the average dividend each person received was only £102. But even these sums, small as they are, give but an inadequate idea of the extent to which the public funds are divided in small sums. According to the same return, the annual dividends receivable by the 268,995 fundholders were as follows:—

92,205 persons received dividends not exceeding each	£ 10 per annum.
43,237 received dividends above 10 <i>l</i> . and not exceeding	20 "
89,601 received more than 20 <i>l</i> . but not exceeding.....	100 "
28,008 received more than 100 <i>l</i> but not exceeding....	200 "
13,012 received more than 200 <i>l</i> . but not exceeding....	400 "
3,742 received more than 400 <i>l</i> . but not exceeding....	600 "
2,421 received more than 600 <i>l</i> . but not exceeding....	1,000 "
1,188 received more than 1,000 <i>l</i> . but not exceeding....	2,000 "
854 received more than 2,000 <i>l</i> . but not exceeding...	4,000 "
227 received more than.....	4,000 "

268,995 total number of accounts.

It thus appears that no less than 92,205 persons, or 34 per cent. of the whole number, were entitled to dividends not exceeding £10 a year as a maximum, while 135,492, or 50 per cent. of the whole, were entitled to dividends varying from the smallest sum up to £20. Nor is the result less remarkable if we look to the small number who receive dividends of a large amount;—for we find that only 1,719 persons were entitled each to sums exceeding £1,000 per annum, and this number included accounts in the names of trustees, which are numerous, and held by them on behalf of many individuals.

But if these facts in respect to the English funds are startling, those which we have elicited from a trustworthy source with regard to France are still more so. In 1853, before the Russian war, the number of persons who owned the French Rentes was 725,190, or very little short of three times the number entitled to dividends in the English funds. It was remarked upon every occasion when public loans were contracted since that period, that a large portion of the subscriptions came from very small capitalists. The facts before us show that this was so in a very striking manner; for we find that the number entitled to dividends in France had increased from 725,190 persons in 1853, to 1,008,682 persons in 1858,—the mere increase of numbers in that time being more than the entire number of fundholders in England. We have no account showing how many of this large number were entitled to dividends of given sums such as we have quoted as applicable to the English dividends; but as the whole amount of the interest payable on the French debt on the 1st of January, 1858, was £12,435,236, it follows that the average dividend payable to each person was only £12 annually; and as the capital sum of the debt was

£336,883,868, it follows that the average amount of stock held by each person was but £334.

The comparison, therefore, between England and France at the latest date, with regard to their national debts, may thus be shortly stated:—The amount of the English funded debt is £780,119,722, held by 268,995 persons, being an average of £2,900 each;—the amount of the French debt is £336,883,868, held by 1,008,682 persons, being an average of £334 each. The amount of the interest payable on the English debt is £27,411,995, giving an average dividend of £102 to each holder;—the amount of the interest of the French debt is £12,435,236, giving an average dividend of £12 to each holder.

These facts go a great way to explain the difference of the effects produced upon the price of the public debt of the two countries from any given cause. Recently the French funds fell in one week upwards of 5 per cent., while the English funds fell little more than 1 per cent. It has often been contended that it is a great advantage to a nation that its public debt should be as much divided among the population as possible. The greater the number of State creditors, the greater the number of those who have a direct interest in upholding the Government. No doubt that is so; and from this point of view small holdings are an advantage: but from another point of view they are a disadvantage. There can be no doubt that 1,008,682 persons of a class which holds only £334 of stock each, are much more likely to be affected by rumors injurious to public credit, than a number of 121,914 who should hold stock to the amount of £2,900, which would be the number if the French funds were held in the same way as the English. When a run takes place upon a bank, it is always most severe among the holders of small notes and the owners of small deposits. While, therefore, there may be an advantage to a country in the way pointed out by having its debt held by a large number of persons, there is also a disadvantage, inasmuch as its credit is more easily injured, and that perhaps at the very time when it is of importance that it should stand well. Again, we think it very doubtful whether, all other things being equal, a public debt held in very small sums would command so high a price as if it were held in larger sums. The very fact of its being exposed to greater fluctuations in the one case than in the other, would imperceptibly keep it at a lower average price. One of the great recommendations of a security is its steadiness of value, and there is no doubt that the high relative price of the English funds is in part attributable to their possessing in an eminent degree that quality. No doubt there are other and, perhaps, even more important causes which produce that steadiness of price than the one we have referred to. In the first place, there is the high credit of the country; and, in the next place, there is the fact that the great bulk of the national debt consists of trust and other moneys, which by law can be invested in no other security.

There are other important considerations peculiarly applicable at this moment in connection with the facts to which we have now referred, and which we will make the subject of another article;—but we cannot close these observations without remarking that, notwithstanding the great increase of late years in the amount of the French debt and the slight decrease in the English debt, the latter is still considerably more than double the amount of the former.

THE BANK OF FRANCE.

THE operations of the Bank of France for the past ten years show a vastly augmented commerce throughout the empire, greater activity in her manufacturing system, and enlarged wealth among the people. The Emperor alludes to this in the opening of his speech of the 7th February: "France has, as you are aware, during the last six years, seen her welfare augment, her riches increase," &c.

So far as these changes are indicated and confirmed by the movements of the Bank of France, there can be no doubt of renewed prosperity throughout the empire. The Bank was allowed in 1856, '57 to double her capital, or from 91,250,000 francs to 182,500,000 francs.

Upon this capital, equivalent to 36 millions of dollars, the Bank has added largely to its individual deposits (say twenty-five per cent.) since May, 1856. The circulation is equivalent to \$146,000,000, and the specie on hand about \$104,000,000, considerably more than all held by all the banks in the United States. In order to show this progressive movement, we add a condensed view of the liabilities and assets at three periods, viz.:—May, 1856 (before the new capital was authorized), February, 1858, and 1st February, 1859:

LIABILITIES.	May, 1856.	Feb., 1858.	Feb., 1859.
Capital.....	91,250,000	91,250,000	91,250,000
Capital, new.....	.....	91,250,000	91,250,000
Circulation.....	626,774,000	572,701,000	730,861,000
Deposits.....	195,714,000	146,016,000	264,070,000
Due Treasury.....	90,950,000	78,635,000	65,394,000
Reserve.....	16,980,000	26,108,000	27,616,000
Miscellaneous.....	33,505,000	23,802,000	15,122,000
Francs.....	1,055,173,000	1,029,759,000	1,285,563,000
ASSETS.	May, 1856.	Feb., 1856.	Feb., 1859.
Commercial bills.....	422,730,000	473,000,900	483,626,000
Loans on public securities.....	108,315,000	31,365,000	39,723,000
Loans on railways.....	54,916,000	62,780,000	110,763,000
Loan to State.....	100,000,000	50,000,000	45,000,000
Stock reserved.....	65,171,000	65,171,000	65,178,000
Specie on hand.....	286,340,000	282,853,000	524,271,000
Miscellaneous.....	17,701,000	64,590,000	17,002,000
Francs.....	1,055,173,000	1,029,759,000	1,285,563,000

The par value of the shares of the Bank of France is 1,000 francs. These are now selling at 2,920 to 3,000 francs, equivalent to about 200 per cent. advance. They have been held much higher, viz.:

	Francs.		Francs.
In 1847.....	3,600	In 1852.....	3,108
In 1848.....	3,230	In 1853.....	2,950
In 1849.....	2,500	In 1854.....	3,000
In 1850.....	2,425	In 1855.....	3,300
In 1851.....	2,650	In 1856.....	4,075

Up to 1857, the smallest denomination of notes issued by the Bank of France was one hundred francs. In that year bills of fifty francs were

authorized. The circulation is more largely in 1,000f. bills than in any other; a marked contrast with the condition of bank issues in the United States. The circulation in 1856 was of the following denominations:

Years.	Notes of 5,000 francs.	Notes of 1,000 francs.	Notes of 500 francs.	Notes of 200 francs.	Notes of *100 francs.	Total of Circulation.
1848,.....	1,120,000	210,000 000	72,000,000	55,000,000	71,000,000	409,120,000
1849,.....	1,145,000	270,050,000	68,330,000	49,075,000	42,422,000	431,022,000
1850,.....	530,000	287,868,000	89,174,000	57,318,000	46,632,000	481,522,000
1851,.....	120,000	372,051,000	90,198,000	53,890,000	66,781,000	583,040,000
1852,.....	490,000	428,012,000	96,053,000	84,663,000	78,167,000	689,910,000
1853,.....	290,000	419,232,000	87,003,000	74,767,000	62,988,000	644,280,000
1854,.....	90,000	403,649,000	76,707,000	79,221,000	75,303,000	636,970,000
1855,.....	120,000	381,991,000	72,744,000	74,747,000	80,416,000	612,237,000
1856,.....	50,000	371,505,000	69,954,000	72,704,000	95,927,000	612,332,000

A further illustration of the changes in the Bank from 1848 to 1856, may be made in the annexed returns:

Years.	Amount of Loans. Francs.	Gold. Francs.	Silver. Francs.	Total. Francs.	Dividend per Share. Francs.	Highest price of Share. Francs.
1846,.....	1,618,957,841	6,800,000	94,282,000	101,082,000	159	3,505
1847,.....	1,808,246,438	440,000	169,060,000	169,500,000	177	3,600
1848,.....	1,643,728,634	4,700,000	248,600,000	250,300,000	75	3,320
1849,.....	1,025,666,213	4,600,000	429,270,000	433,370,000	106	2,500
1850,.....	1,176,423,896	11,980,000	446,840,000	458,820,000	101	2,425
1851,.....	1,241,412,880	82,260,000	486,460,000	568,720,000	105	2,650
1852,.....	1,824,469,418	68,936,000	434,974,000	503,910,000	118	3,108
1853,.....	2,842,930,205	103,598,000	219,482,000	323,080,000	154	2,950
1854,.....	2,944,643,591	193,937,000	198,723,000	392,660,000	194	3,000
1855,.....	3,762,000,000	99,000,000	100,000,000	199,000,000	200	3,300
1856,.....	4,674,000,000	81,000,000	109,900,000	190,000,000	272	4,075

The Customs department of France has just brought out a publication respecting French commerce, from 1827 to 1856, both inclusively grouped into three periods of ten years, which contains much that will be of interest. Of these the London *Economist* says:

"The first is, that the total official value of the importations made into France, under what the customs call 'General Commerce,' that is, for home consumption and for transit to foreign countries united, was, in the first decennial period, from 1827 to 1836, only 6,674,000,000 frs. (£266,960,000), whilst in the second, from 1837 to 1846, it rose to 10,884,000,000 francs, and in the third, from 1847 to 1856, to 14,677,000,000 francs, (£587,080,000). The exports (French and foreign productions united) presented a still more remarkable progress, having been for the first period, 6,983,000,000 frs. (£279,320,000); in the second, 10,241,000,000 francs, and in the third, 16,684,000,000 francs (£667,360,000). This augmentation is certainly remarkable, but how much greater would it have been if the French tariff had not been so oppressive as it is. The second fact to be noticed is, that French shipping has not progressed in the same proportion as commerce. In the first of the three periods it had only 44 per cent. of the total, foreigners taking the rest; in the second period, only a shade more than 43 per cent.; in the third, only a trifle more than 44.

* Notes of fifty francs each were first issued in 1857.

THE WESTERN BANK OF SCOTLAND.

SCHEDULE showing, in brief, the amount of loss, as estimated by the Committee and by the Liquidators respectively :

"WESTERN BANK OF SCOTLAND, GLASGOW, Oct. 4, 1858.

	Committee.			Liquidators.		
John Monteith & Co.....	£276,841	3	5	£339,968	15	10
D. and J. Macdonald and Co.....	147,727	8	2	246,739	17	0
J. and W. Wallace.....	140,813	17	2	159,577	19	0
Henry Watson and Co., Watson and McWilliam, and J. G. Kinnear and Co.....	99,851	14	10	130,548	5	0
Godfrey, Pattison and Co.....	42,821	2	6	86,876	16	5
William Smith and Co.....	26,484	11	1	34,861	3	10
William Brown and Co.....	27,600	0	0	31,458	12	1
John MacVicar.....	5,671	8	1	27,671	8	1
American account.....	60,000	0	0	100,000	0	0
Loss at branches.....	505,333	19	8	585,026	13	1
Government and other securities.....	22,347	0	0	22,202	5	1
Property and furniture.....	.....			35,000	0	0
Sundry accounts embraced in branches 1, 2, and 3 of the assets.....	736,253	15	6	993,426	0	3
Totals	£2,091,746	0	0	£2,793,357	15	8
				2,091,746	0	0
Difference				£701,611	15	8

"The liquidators have been compelled to make on the unfortunate shareholders a second call of no less than 100*l.* per share, payable in one sum within four weeks from this date. This makes, with the former call of 25*l.*, a payment of 125*l.* on each 50*l.* share—in other words, a total loss of 175*l.* per share. If all the shareholders had been found and were expected to be found able to pay the calls, this sum would represent a loss of three and a half times the entire capital of the bank; but, of course, a large number of the shareholders were and are unable to meet the demands. The estimated deficiency remaining to be provided for, after exhaustion of the first call, producing about half a million, is not much short of one million, making a million and a half raised and to be raised by calls, in addition to the million and a half capital lost—that is to say, a total loss, so far as at present ascertained and estimated, of three millions, or twice the capital. The loss on four Glasgow accounts alone is above 833,000*l.* The produce of the former call of 25*l.*, and the estimated produce of the new call of 100*l.* supply a clear indication of the amount of ability or solvency among the shareholders. If all the shareholders had been able to pay, the call of 25*l.* would have produced three-quarters of a million—it has produced only half a million; showing inability in one-third of the shareholders measured by value. Again, if all the shareholders were now solvent, the new call of 100*l.* would produce 3,000,000*l.*, or if even those shareholders who were able to meet the first call were able to meet the second, it would produce 2,000,000*l.*—it is calculated to produce less than 1,000,000*l.*; showing that of the whole shareholders, two-thirds, measured by

value, are insolvent, and that of those who were left solvent by the first call, one-half in value are estimated to be unable to meet the new call. Of course, the decrease in the proportion able to pay brings the burden with increased severity upon the remainder of the shareholders, and the cases of hardship to individuals, even not of the class that will be ruined, are painful to hear of. To one shareholder, a respected Highland proprietor, the new call amounts to a demand for 36,000*l.*, and two other country gentlemen are liable in about 27,000*l.* each. Great excitement arose in Glasgow yesterday evening, when the state of affairs transpired, even those most concerned and best informed not having, up almost till the last hour, anticipated the necessity for so large a call; and there is not a district in Scotland where the announcement will not bring to some families the tidings of disaster or ruin."—*Edinburgh Scotsman.*

LIFE INSURANCE.

THE Annual Reports of several of the Life Insurance Companies of New York, have been recently issued. The results of the year's business are exceedingly satisfactory to the policy holders. The Mutual Life Insurance Company reports for the year ending 31st January, 1859 :

Revenue for the year 1858.....	\$1,305,604
Accumulations for 15 years to 31st January, 1858.....	4,434,459
Total,.....	\$5,740,063

The losses by death for the year were \$341,503, surrendered policies, &c., \$131,641, expenses \$77,986, leaving a resulting balance of \$5,188,933 to meet existing liabilities.

That this large sum, arising from small contributions from year to year in the shape of premiums, is ample to meet all coming liabilities upon existing contracts, is fully demonstrated from the experience of the Company, and from the experience of other Companies abroad and at home. The investments are accumulating *at a compound rate of seven per cent.*, a rate of interest attained by no foreign office. As Life Offices are not called upon, as Savings Banks occasionally are, for unexpected payments, their investments may, with perfect safety and to a larger extent than with other Trust funds, be made on bond and mortgage. Their cash balances may with safety be smaller, and the assets of the Company thus be made to yield seven per cent. annually on nearly every dollar of assets.

The Mutual Life Insurance Company, according to their statement, hold :

Cash on hand.....	\$173,756
Bonds and Mortgages.....	4,998,666
In hands of Agents.....	16,511
	\$5,188,933

The number of new contracts during the year was 1,728, and the aggregate number of policies in force, 10,933.

The Company have, with manifest advantage, obtained reliable mortality tables of many States in the Union. The information from the Southern States, communicated by able professional parties and from official sources, added to the actual experience of the Company, enable them to create life tables adapted to various latitudes between the St. Lawrence and the Rio Grande. These tables demonstrate the necessity of charging higher rates than heretofore in the States of Georgia, North and South Carolina, and Southern States bordering on the Atlantic, where the business has resulted fairly with the increased extra rates charged since 1854; but it is believed that previous to the advance of the extra rates, the assured received more in profits by dividends than the experience of the Company warranted.

The business in Texas, Mississippi, Alabama, Florida, Louisiana, or Southern States bordering on the Gulf of Mexico, has been a source of loss to the Company. The extra rate charged for the first ten years was found, on examination in 1854, to be entirely inadequate, and was advanced on acclimated risks from $\frac{1}{2}$ to two per cent., and on unacclimated risks from 2 to 5 per cent. *extra*. Judging from experience, the present rates are not too heavy.

To heads of families the chief feature in the Mutual Life Company Reports is the establishment of an "accumulating or deposit table," whereby \$100 deposited for minors and others will be entitled to three or four times the amount at death. Thus \$100 deposited for a child at fourteen years of age, will secure \$392 at death.

The experience of the Company has demonstrated that the issue of Term Policies at the rates heretofore charged is not advisable, the proportion of deaths among the assured of this class having been much greater than the expectation deduced from the Tables and those of the English Companies.

The first dividend of the Company was 30 per cent. (February, 1848). The second, 33 $\frac{1}{2}$ per cent. (March, 1853); and the third was 40 per cent., declared in 1858. The business since the last dividend warrants the conclusion that the Company will realize larger profits on the current five years. This may reasonably be relied upon, because the Company has declined risks at the former rates, in the extreme Southern cities, where the mortality is much larger than at the North—the profits on the more Northern business having heretofore contributed to meet the losses at the South.

If the fact be demonstrated, as suggested, that one life out of every eighty or one hundred crossing the Atlantic by steamers from this port is sacrificed, then an extra premium would appear to be due on such extra-hazardous risks. The losses to all our Life Offices from this source have been very heavy since the year 1854.

The expenses of this and other Companies demonstrate:

First.—That the mortality in the United States (or in the northern portions where life insurance is more generally sustained) is much less than is indicated by the Carlisle table and other English tables which are, thus far, essentially the basis of calculations in this country.

Secondly.—That the more advanced rates of interest in the U. States, (say seven per cent.), against those current in England (say 2 $\frac{1}{2}$ to 4 per cent.), give the local offices of the United States a great advantage over foreign offices; the accumulated and accumulating funds of the American

offices, mainly owing to the larger rate of interest, enabling them to divide more largely than the foreign offices. The success of our local offices is unprecedented in the history of Life Insurance throughout Europe and the United States. If we could rely upon the same rate of interest (seven per cent.) being permanent or durable for some ten or twenty years, the United States Companies could profitably reduce their rates of premium 20 per cent. below those now charged. It would appear that the accumulations of our leading life offices are now about fifteen millions of dollars, nearly the whole of which are invested at seven per cent. or producing annually \$1,050,000. If invested in England it would produce say 3½ per cent. or \$525,000, the difference being in itself a handsome profit.

The following is a condensed statement of the Mutual Life Insurance Company of New York :

Cash assets 1st of February, 1858,	\$4,484,459 09
Receipts during the year :	
For premiums,	986,001 54
For interest,	816,120 96
For annuities,	8,482 20
Total,	\$5,740,068 79
Disbursements during the year :	
Paid claims by death (including additions,)	841,508 15
Reduction of premiums, annuities, commissions, ...	57,484 94
Surrendered policies,	74,206 01
Expenses, to wit :	
Exchange, postage, taxes, printing and advertising, stationery, law expenses, medical examinations, rent, salaries, &c.	77,986 27
	551,180 87
Cash assets on hand 1st February, 1859,	5,188,933 42
Invested as follows :	
Cash on hand and in bank,	178,756 08
Bonds and mortgages,	4,998,666 72
Due from agents for moneys collected and in course of trans- mission,	16,510 63
	\$5,188,933 43

Interest accrued and deferred premium account not included.

Number of policies issued during the year, \$1,728.00. Number of policies in force 1st February, 1859, \$10,998.00. Increase in the net cash assets during the year, \$754,474.81.

We also add the results of the fourteenth annual report of the New York Life Insurance Company, Nos. 112 and 114 Broadway.

Amount of assets, January 1st, 1858,	\$1,402,966 25
Amount of premiums received during the year ending January 1st, 1859,	414,454 16
Amount of interest received and accrued during the year ending January 1st, 1859,	78,178 26
Net amount of rents received and accrued,	8,074 88
Net amount of endowment premium,	59 40
Total,	\$1,898,727 45

DISBURSEMENTS.

Amount paid for losses by death,.....	\$163,218 22	
Amount paid for interest on dividends and purchased policies,.....	81,216 65	
Amount of cancelled notes and return premiums on cancelled policies,.....	37,168 46	
Amount paid for taxes and law expenses,.....	8,291 42	
Amount paid for office salaries and fees to physicians and trustees, and office rent to May 1, 1858,.....	16,000 46	
Amount paid for stationery, printing, postages, express charges and office expenses,.....	6,492 67	
Amount paid for commissions, advertising, exchanges, medical examinations, &c.,.....	45,498 01	
		802,825 89
Balance,.....		\$1,595,945 56

ASSETS.

Cash in bank,.....	\$74,934 27	
Invested in securities, created under the laws of the State of New York,.....	187,053 22	
Real estate and fixtures, Nos. 112 and 114 Broadway,.....	131,241 55	
Bonds and mortgages drawing 7 per cent. interest,.....	544,106 58	
Quarterly and semi-annual premiums, due subsequent to January 1st, 1859,.....	15,108 84	
Interest accrued up to January 1st, 1859,.....	28,355 98	
Rents accrued up to January 1st, 1859,.....	1,875 00	
Notes received for 40 per cent. of premiums on policies, for whole term of life, bearing interest,.....	596,150 97	
Premiums on policies in hands of agents,.....	17,570 15	
Total.....		\$1,595,991 56

The trustees have declared a scrip dividend of 30 per cent. on all policies for the whole term of life, now in force—and which were issued twelve months prior to January 1st, 1859—and six per cent. interest in cash upon all previous dividends, payable on and after the first Monday in March next, to those holding certificates, and to be allowed in settlement of the next premium on policies upon which notes have been received.

The eighth annual report of the Manhattan Life Insurance Company of New York shows a net accumulated fund of \$708,684, viz.:

Capital stock,.....	\$100,000 00	
Reserve of 1857,.....	252,590 19	
Balance from 1858,.....	236,461 65	
Amount due of sundry dividends, &c.,.....	10,168 00	
Amount of dividend annuities,.....	2,618 15	
Amount of premiums received during the year,.....	279,817 12	
Amount of interest account for the year,.....	42,376 49	
		824,811 76
		\$924,081 60

DISBURSEMENTS.

Claims by death,	88,677 00	
Expenses, taxes and commissions,	43,018 68	
Re-insurance and purchased policies,	23,984 41	
Dividends paid during year,.....	59,721 15	
		215,846 48
		\$708,684 76

FINANCES OF THE UNITED STATES

For the fiscal Year ending 30th June, 1858.

	REVENUE.			Treasury Notes.
	Customs.	Lands.	Miscellaneous.	
First quarter,.....	\$18,573,729 37	\$2,059,449 39	\$296,641 05	....
Second quarter,.....	6,237,723 69	498,781 53	356,159 78	....
Third quarter,.....	7,127,900 69	480,936 88	393,690 78	11,087,600
Fourth quarter,.....	9,850,267 21	474,548 07	207,741 15	12,628,700
Total,.....	\$41,789,620 96	\$3,513,715 87	\$1,254,232 76	\$23,716,300
Estimated, 1858-'59,....	50,444,520 28	1,421,171 84	1,459,987 34	10,405,800
" 1859-'60,....	56,000,000 00	5,000,000 00	1,000,000 00	....

The entire resources for the year were therefore—

From Customs,.....	\$41,789,620 96
From Public Lands,.....	3,513,715 87
From Miscellaneous Sources.....	1,254,232 76
From issues of Treasury notes,.....	23,716,300 00
Cash on hand 30th June, 1857,.....	17,710,114 27
Total for the year to 30th June, 1858,.....	\$87,983,983 86

The expenditures during the fiscal year ending June 30, 1858, were \$81,585,667 76.

Being for the quarter ending September 30th, 1857,.....	\$23,714,528 37
Being for the quarter ending December 31st, 1857,.....	17,035,633 07
Being for the quarter ending March 31st, 1858,.....	18,104,915 74
Being for the quarter ending June 30th, 1858,.....	22,730,570 58
	\$81,585,667 76

Which were applied to the various branches of the public service, as follows :

Civil, foreign intercourse, and miscellaneous,.....	\$26,387,822 20
Service in charge of interior department,.....	6,051,923 38
Service in charge of war department,.....	25,485,383 60
Service in charge of navy department,.....	13,976,000 59
Public debt and redemption of treasury notes,.....	9,684,537 99
	\$81,585,667 76

The actual receipts for the half year ending 31st December, 1858, were as follows :

	First Quarter.	Second Quarter.	Total.
Customs,.....	\$13,444,520 28	\$9,054,228 60	\$22,498,748 88
Public lands,.....	421,171 84	402,190 97	823,362 81
Miscellaneous,.....	959,987 34	306,200 24	1,266,187 58
Loan of 1858,.....	10,000,000 00	.....	10,000,000 00
Treasury notes,.....	405,200 00	1,122,000 00	1,527,200 00
Total, six months,.....	\$25,230,879 46	\$10,884,619 81	\$36,115,499 27

PUBLIC DEBT OF THE UNITED STATES.

From the Annual Report of the Secretary of the Treasury, Dec. 1858.

THE public debt on the 1st of July, 1857, was \$29,060,386 90, as stated in my last report. During the last fiscal year there was paid of that debt the sum of \$3,904,409 24, leaving the sum of \$25,155,977 66 outstanding on the 1st of July, 1858. To this amount must be added the sum of \$10,000,000, negotiated during the present fiscal year, of the loan authorized by act of June 14, 1858. There was issued under the provisions of the act of December 23, 1857, during the last fiscal year, treasury notes to the amount of \$23,716,300, of which there was redeemed, and the department informed thereof, during the same period, \$3,961,500, leaving the sum of \$19,754,800 outstanding on the 1st of July, 1858. The details are shown by statements marked 1 and 5. In estimating the receipts and expenditures for the present and next fiscal years, it is not contemplated to redeem the outstanding treasury notes. As these notes will become due and payable during the next fiscal year, some provision should be made to meet them. I am opposed to the policy of adding this amount to the permanent public debt by funding the notes. On the other hand, their entire redemption in one year would call for an increase of the tariff to a point which would render necessary another revision of it in the succeeding year. The true policy is to look in the present revision of the tariff to their gradual redemption, commencing with the next fiscal year. To carry out this policy, Congress should provide for the raising of such amount of revenue as will enable the department to redeem a portion of them, and, at the same time, extend for one year the provision of the act of December 23, 1857, authorizing the re-issue of such portion of them as the means of the government will not enable us to redeem. By this course we shall gradually discharge this part of the public debt without placing upon the people an onerous additional burden in the unnecessary increase of their taxes.

The operations of the independent treasury system have been conducted during the last fiscal year with the usual success. Another year's experience confirms the opinions I expressed on this subject in my former annual report. I am well satisfied that the wholesome restraint which the collection of the government dues in specie exerts over the operation of our present banking system, contributed in no small degree to mitigate the disasters of the late revulsion. The opportunity which it afforded at an early period of relieving the financial embarrassments of the country by the policy of redeeming a portion of the public debt, and furnishing the country thereby with the specie used in its redemption, was attended with the happiest results. It is difficult to estimate the extent of the relief which was thus afforded, though I believe that the intelligent judgment of business men concurs in according to it the most beneficial effects. The adoption of a similar system by the different States, as suggested in my last report, would afford additional protection to the country against the ruinous effects of overbanking, and consequent derangement of the currency. A remedy so simple and just for an evil so great, must commend itself to the favorable consideration of those to whom the subject is intrusted.

The attention of Congress is again called to the provisions of the act of

March 3, 1857, on the subjects of deposit by the disbursing agents of the government.

In my last report I stated in general terms that it was impracticable to execute the law according to its literal requirements, and the reasons were briefly set forth. The objects which the act sought to accomplish meet the entire approval of the department, and it has been carried out to the utmost extent that was practicable. A few illustrations will show the impossibility of executing the law as it now stands. By its provisions a purser in the navy would be required to deposit the funds placed in his hands for the payment of the officers and crew of a vessel, in one of the public depositories, and he could only draw it out by a draft in favor of the person to whom he desired to make payment.—A vessel on a foreign station is absent not unfrequently for two and three years, and whilst thus absent the purser would have to pay the officers and men by drafts on a public depository in the United States. He would also have to pay all other expenses, which exceeded the sum of twenty dollars, by similar drafts in favor of the person to whom the payment was to be made. A disbursing agent in the Indian Department would be required to pay the Indians their annuities by similar drafts. The disbursing agents of the army would have to settle with the officers and men of the army at their distant posts, in the same manner. A collector of the port of Eastport, in the State of Maine, would have to transport the funds with which he is to pay the employées of the government at his port, to Boston, or some other place where there is a public depository, and there give drafts on the public depository to each person to whom the payment is to be made.

These cases illustrate the impossibility of executing the law as it now stands on the statute book. There are serious and almost insurmountable difficulties in the way of executing it, even in the immediate neighborhood of a public depository. Take, for illustration, a case which can be brought within the personal observation of members of Congress. There are paid monthly in Washington city more than a thousand persons. This law requires that each of these persons should receive a draft from the disbursing agent who settles with him, and present it at the Treasurer's office. The time that would be occupied by the Treasurer in identifying the applicants, and the number of additional clerks which would be required to keep the necessary books, independent of the unusual responsibility which would be put upon the Treasurer of identifying so many persons, render the execution of the law, even in this case, impracticable. For all this additional trouble and difficulty there is no compensating advantage over the present mode of making such payments, which has been found by practice, both safe and expedient. It can scarcely be necessary to point out all the difficulties which exist. Congress is again referred to the circular regulations which were adopted by the department on the subject, and the recommendation of amending the law, as suggested in my last report, is repeated.

The report of the Director of the Mint is herewith transmitted, marked 9. It appears that the amount of bullion received at the several mint establishments during the fiscal year ending June 30, 1858, was \$51,494,311 29 in gold, and \$9,199,954 67 in silver; and that the coinage during the same period amounted to \$52,889,800 29 in gold, and \$8,233,287 77 in silver, and \$234,000 in cents.

The director recommends that the law be so amended as to make silver

a legal tender to the extent of fifty or one hundred dollars. I am not aware of any serious complaint against the law as it now stands, and can see therefore no urgent necessity for a change.

He also recommends the issuing of mint certificates to depositors, for sums as low as fifty dollars, payable to bearer, with a view of creating a sound paper currency. This suggestion does not meet the approval of the department. I have many objections to the proposition, but do not deem it necessary to enter upon the discussion, as I feel quite confident there will be no serious disposition on the part of Congress to give it a favorable consideration. The operations of the mint, during the last fiscal year, have been conducted with energy and ability by the officers in charge of this important branch of the public service.

COINS OF JAPAN.

WE have been furnished with the following interesting paper prepared by the Assayers of the United States Mint on the subject of moneys and coins of Japan. The information it gives is valuable to the merchant and man of business, and to the public generally. The proportionate value of gold and silver is very singular and extraordinary. Some of our enterprising Americans may probably find a way to enlighten these curious people—the Japanese—if their ports can be opened to our ships :

ASSAY OFFICE, U. S. MINT, February 5, 1859.

HON. J. R. SNOWDEN, *Director of the Mint, &c.*

DEAR SIR :—There are few matters of greater curiosity, in regard to the people of Japan, than their system of moneys ; and at the present moment, when public attention is much drawn in that direction, some details would, we presume, be timely and acceptable.

The series of Japanese coin consists of three sizes of gold, two of silver, and three of an alloy of inferior metals. In their shape, composition, and relation to each other, they present some striking features, which set them apart from every other system of coinage in the world.

The principal gold coin known as the *cobang* or *cobank*, is of an oval shape, about two and a half inches long, and half as wide. It is very thin, soft, and easily bent, having no elasticity ; its appearance is that of fine gold, and its surface is marked by sundry figures not well understood as yet, although it is said that the flowery ornaments are “the arms of the spiritual emperor,” and that a certain central cipher is the special imprint of the “Inspector General of money.” The weight, two specimens agreeing, is 326 thousandth of an ounce, or nearly 174 grains. Next is a gold piece of one-fourth that weight, and intended as a quarter of the preceding, called the “gold *itzebu* ;” but its form is entirely different. It is four-sided, rectangular, and very thick ; three-fourths of an inch long, and half that in width. The smallest gold coin is the half *itzebu*, of proportional size. We have then the silver *itzebu*, and its quarter of the same domino shape ; the larger

piece weighing .280 oz., or $134\frac{1}{2}$ grains. Passing to the third division, there is the "hundred *p'senny*," a casting of red brass, oval and thick, measuring two inches long, and a little more than half as wide, with a hole in the centre. Finally, there are pieces of four and one *p'senny*, circular, with holes in the centre, and scarcely to be distinguished from the well known Chinese *cash*.

The *composition* of these coins, a subject falling within our particular province, has been to some extent examined. The cobang and itzebu, as was observed, have the appearance of fine gold; and, it is said, are regarded at home as being of high quality. But it is only necessary to scratch away the surface, to discover that the Japanese understand the process of *pickling*, well known to workers in jewelry, whether in America or Asia, or even in the centre of Africa. Trusting to the somewhat permanent effects of "hard biting," they have not even added copper to mitigate the whitening effect of silver alloy; the mixture being gold and silver, and not far from equal proportions. The cobang, two pieces assayed, gave $567\frac{1}{2}$ and $568\frac{1}{2}$ thousandths fine; the itzebu resulted 566. These figures indicate a designed, though probably a secret standard. The consequent intrinsic values are, according to our Mint rates, and allowing for silver contained, \$4.44 for the cobang, and \$1.11 (nearly) for the itzebu.

It is interesting to observe that, although so ignorant of the methods of other nations, Japan has imitated, and even exceeded them, in the process of deterioration of moneys. About the beginning of the last century, the cobang, quite similar in shape and device to the present piece, weighed 272 grains, was 854 fine, and worth just ten dollars. A century later, it had fallen to 196 grains, 667 fine, and worth (including silver) five dollars and seventy-eight cents.

The smallest gold coin has not been assayed; it evidently contains but little gold, and has therefore a forced valuation. The transition to the next piece in order, the largest silver coin, affords a fresh surprise. It is found to be of almost absolute fineness; that is, 991 thousandths; and is worth 37 cents. While this proves that the Japanese possess the art of refining, it does not explain why they debase the gold, and refine the silver. The smallest silver piece is apparently not inferior in fineness.

The foregoing details will be interesting to the numismatist and metallurgist; but the fact which remains will excite a more popular attention. It is in regard to the legal relation which these coins bear to each other. Insulated from the rest of mankind the Japanese have proportioned gold to silver according to their own ideas of use and state of supply. The gold and silver itzebu are, as is stated, interchangeable; that is, a piece which is worth in our eyes 111 cents (and to a Japanese, worth nearly as much as two of our gold dollars, because he supposes it to be much better gold than it is), buys no more than a piece which, with us, would be 37 cents. The Spanish or Mexican dollar they consider equal to three itzebu; which is three-fourths of a cobang, or \$3.33. The abundance of gold, or scarcity of silver, which creates such a strange ratio, would no doubt be promptly uncorrected by foreign traders, for the sake of the enormous profit. But unfortunately there is a stringent law against the exportation of coin, which makes it very difficult even to get a few pieces for assay. For our facilities in this respect, we are indebted to the perseverance of a gentleman who is interested in the collection of rare coins, and to his correspondent abroad.

What relation the oval piece of brass, which passes for "one hundred p'senny," bears to the itzebu, we are not informed. It weighs only about six times as much as the piece of one p'senny, and therefore bears an arbitrary value; unless brass is there held to be vastly more valuable than an alloy of copper and lead, which appears to be the composition of the coin which stands at the bottom of the scale.

Very respectfully, your obedient servants,

J. R. ECKFELDT,
WM. E. DUBOIS.

THE COMMERCIAL AND FINANCIAL POSITION OF AUSTRIA.

From "The Continental Review," February, 1859.

AUSTRIA possesses 265 miles of sea-coast, seven grand basins of rivers, and that of the Danube in particular, which covers 8,000 square leagues. The people are composed of four of the principal stocks of the European population—Latins, Germans, Finns, and Slaves. Most productions flourish on the varied soil of the country; the forests are rich in game, and the mountains in minerals. Austria, on an extent of 12,120 square leagues, counts 10,000,000 of inhabitants—equal to 3,308 per square league. But the extreme thinness of the population in Lower Hungary, Voïvodina, and the Bukovina, leaves yet a vast field for future cultivation. The people of these parts are still backward in every thing that relates to agricultural and industrial pursuits. Railways, however, are destined to create great changes in Hungary, which has been hitherto retarded in its progress by the want of roads and other means of communication.

The different races in Austria vary in their physical peculiarities, but the generality of the people are strong and healthy. The Magyar is tall and supple, the Italian firmly knit, the Tyrolese muscular, the Slave and Pole stubby and sturdy, the Slowak well made, the Croat tough and hardy, the Serb and Dalmatian are well-looking, but in the Alps and in Corinthia cretinism abounds. M. Schwarzer remarks that the inhabitants of the south-east of Austria abandon themselves voluntarily to repose, that is to say, to listlessness. His observations, short and to the point, are very valuable in all that concerns the moral organization of the different races of the empire. With regard to the Jews, "whose happy spirit of speculation has contributed so largely to the national fortune," he says: "Without the Jews, many calamities of later days would have been spared to the country; but also many enterprises of great advantage would never have seen the light. Let us confess," he adds, "we have a great deal to learn from the Jews."

Three-fourths of the Austrian population are agricultural. The whole area of the country contains about sixty-five millions *hectares* of land capable of tillage, of which only one-half is in cultivation; the remainder consisting of forests and heaths. Austria does not, as yet, produce sufficient grain for her own consumption. The deficit was covered in 1853—a bad

year—by imports of grain amounting to 1,200,000*l*. In ordinary years Austria does not import grain to the value of more than 400,000*l*.

In spite of her fertility, Austria imports from abroad 65,000 quintals of fruit and cattle, to the value of 17 millions of florins. Tobacco furnishes a monopoly and revenue of 26,570,000 florins. The wine, though improving in quality, does not increase in quantity. The forests furnish timber for exportation to the amount of 7,000,000 florins. But the forest laws are not well administered. Manufactories of potash, resin, pitch, and charcoal, absorb too much of the raw material.

Austria is yet a land of large properties, and is subject to all the evils of the concentration of landed property in few hands. The people have also no proper ideas as to the advantages of the subdivision of labor, and the peasants of that primitive and patriarchal country are all their own butchers, carpenters, and blacksmiths. The total value of the agricultural productions of Austria, including the produce of the silkworm, is 1,748,243,000 florins. In the precious metals Austria is, after Russia, the richest State in Europe. She extracts annually gold to the amount of 17,270,000 florins, and silver to the amount of 5,600,000 florins. Future historians will have to point out, as a remarkable fact, that in the middle of the nineteenth century the country the richest in Europe in gold and silver was the poorest in point of coined money.

During the last thirty-six years the production of iron has quadrupled in Austria, but it is still insufficient. She imports largely sheet and cast-iron and steel. She possesses an abundance of coal, but consumes very little; estimated in tons, her consumption of coal is twenty times less than her consumption of tobacco. The total value of her mineral wealth, including salt and coal, amounts to 135,000,000 florins.

The principal branches of Austrian manufacturing industry are the glass and flax manufactures, and the silk manufactures of Lombardy. The construction of machinery and metal-work are commencing on a fair scale at Prague and Vienna. The total value of her manufactures is 570,000,000 florins. To this amount M. Schwarzer adds 428,000,000 for the value of the labor, which gives 998,000,000 florins as the true value of the industrial development of Austria.

In railways she has had since their commencement about 9,000 kilometres in project, of which 5,000 are still to be completed.

The total value of her commerce, including exports and imports, transit and navigation, is 748,000,000 florins. Austria possesses only 900 sea-going vessels. The Austrian Lloyd Company possessed in 1854 sixty steamers, but the profits of the establishment have been insignificant. The Danubian Navigation Company, which enjoys a monopoly for twenty years, and possesses more than 100 steamers, besides an innumerable quantity of small iron vessels, appears to be more favorably situated. Its revenue in 1855 amounted to 2,267,465 florins.

M. Schwarzer estimates the total value of Austrian productions—agricultural, metallic, industrial, and commercial—at 4,100,000,000 florins.*

* The total value of the productions of Great Britain is estimated at 540 millions sterling, and that of the productions of France at 10 milliards, or 400 millions sterling.

PRINCIPLES OF FINANCE.

WITH REMARKS ON THE BANKING INSTITUTIONS OF EUROPE.

From "The Ways and Means of Payment: a Full Analysis of the Credit System."

BY STEPHEN COLWELL, OF PHILADELPHIA.

WE propose to offer here, in as condensed form as practicable, what may be considered as the leading positions of this volume. A statement of this kind will enable every reader to glance more readily over those portions of the work of most interest to himself. It is taken for granted, that whilst there are so many conflicting opinions on the subject of money, currency, banking and credit—that whilst both theory and practice remain in doubt and dispute, and no authority high enough to settle these differences has yet appeared—there is room for the labors of those who may wish to furnish materials for the final adjustment of many vexed questions. It is further assumed, that writers treating of these subjects have paid too little attention to the fact, that whatever concerns money, currency, banking and credit, must be considered as strictly subordinate to commerce, of which they are merely agents; this cannot be overlooked, in any aspect in which these topics may be considered, without hazard of error.

The chief inquiry is not, what is the power of money? or, what is the use of money? or, what can be substituted for money? The inquiry which we prosecute, to ascertain the nature and doctrine of money, is, what is commerce, and what is the nature of the agency of money in its affairs? Money, with all its substitutes, is only one of many agents of trade, and, like many others, it is a pure matter of discretion and convenience how far it may be employed. Warehouses and ships are very needful and much used agencies of commerce; but a great business may, upon occasion, be done without them. It is with money, as with every other expensive agency of commerce, a question not how much it can be used, but how far it can be dispensed with. It has always been, and must always be, a chief consideration of the practical merchant, to ascertain to what extent his business can be conducted without so expensive an agent as money. By the progress of civilization, commercial integrity and Christian virtue, it is now possible to carry on immense operations in trade and manufactures without any aid from money; excepting the merest retail business, not one per cent. of the payments of Great Britain and the United States are made in real money.

The main subject of this volume is not, therefore, money, but payments. The inquiry before us has been, not the nature and use of money, but how are the payments or adjustments of commerce effected, whether by money or otherwise. The object has not been to bring forward new doctrines, or to propose reforms, but to attempt a very ample and thorough analysis of the present modes of employing money and credit in the current business of industry and trade. We have supposed that the best preparation for re-

forms and improvements would be a perfect understanding of the present system, in its various forms. Any suggestion in these pages which may seem to go beyond this, is made with the greatest diffidence, and more by way of contrast or illustration than as advice or doctrine.

It has long appeared to us a grave mistake in those who have treated of money, that they leave out of view money of account, without a due understanding of which, as an agency of commerce, much confusion must reign in the minds of all who approach the study of money or currency. Gold and silver are commodities of great value in small compass, selected for coinage, and made the legal standard of payment; money of account is the language in which prices are expressed, and books of account are kept. A merchant may, in a few minutes, cast his eye over a hundred entries in his journal, in which the sums debited for goods sold may run, in various fractional sums, from ten to a thousand dollars. He sees at a glance, and understands at what rates the goods were sold. But if the exact sum in coins corresponding to each entry was placed opposite to the entry, instead of the appropriate figures, it might require hours or days to ascertain, by counting and examining the coins, what is otherwise understood in a few minutes. So, likewise, naming prices in money of account is quickly done, and instantly understood; but making payments in coins is necessarily a slow operation. We distinguish, then, between the term money, as applied to given prices, to keeping books of account, to expressing sums on the face of promissory notes, bills of exchange, and other securities, and the term money, as applied to coins used in making a payment; and this distinction we hold to be so important, that the subject cannot be well understood without it. To some it may appear as if we had labored this point at needless length, and with unnecessary minuteness; but regarding it as the key to many difficulties of finance, and considering the neglect of the subject hitherto, we have thought it better to be profuse of illustration, than to fail of our object in securing for money of account its true position in the consideration of the subject.

People may change their coins once a month; but they scarce change a money of account in half a century. In many of the more retired portions of the older States of the Union, the people still reckon by the colonial currencies of pounds, shillings, and pence, as they existed in each of the respective colonies before the era of our independence. The use of a money of account is a mental operation, and is a characteristic of every civilized people. The same mental habit is applied to the use of weights and measures, which makes it extremely difficult to change even what is obviously absurd; people prefer denominations to which they are accustomed, even when inconvenient, to those which are more simple, but which need the familiarity of habit to make them appreciated.

We have, therefore, treated money of account as a leading element of the subject. It is the language of prices, of books of account, of price-currents; it is the mode of expression employed in all money securities, to denote the amount for which they are given; and, in fine, it is the very language of finance. To leave money of account out, when the whole subject of currency, banking and credit is involved, is like leaving arithmetic out of mathematics. It is for want of attention to the real agency of money of account, that such expressions as the "power of money" are often used, when only the power of credit is intended. When a merchant inquires the

price of a hundred bags of coffee. learns the rate, and makes the purchase, giving his note for the amount, money has exercised neither power nor influence in the transaction. It was the power of credit which made the purchase, and the power of money of account which enabled the parties to understand each other, make the transaction, and take the note for the amount of the purchase. The greatest power in the commercial world is commercial integrity, and the confidence or credit which it inspires. This is the power which moves nine-tenths of the commodities found in the channels of trade and industry.

Money, by which we intend coins of gold or silver, is neither a standard of value, a measure of value, nor a representative of value. The precious metals are commodities of value, and do not, of course, lose that quality, though they gain another, by being coined. They become, by coinage and the law of legal tender, a standard of payment. Every man may, by law, claim payment in coins; that is, for any commodity previously sold, for any debt due, every person may exact the expressed equivalent in the commodity of gold and silver assayed and coined at the mint in denominations agreeing with the money of account. All debts are thus payable; and it is only because the parties agree to other modes of payment, that all debts are not thus paid.

There are many obstacles to the use of coin in large transactions, besides their great cost; among these, the risks of theft and robbery, and the care and anxiety which these hazards impose, the danger of counterfeits, the rapid wear and deterioration of coins, the frauds of clipping, punching, sweating, and many others, which are regarded as severe grievances and trials in all countries where an exclusively metallic currency has long prevailed. All these combined have produced a constant effort to escape the employment of coins in large transactions. Gold and silver coins have not lost their interest in the eyes of men; they are still the standard of payment, and universally an acceptable medium of exchange: but they are far from being the universally employed medium of exchange. The men of trade and industry, who but receive money in large amounts to pass it off in the same way, are more concerned to escape trouble, risk and expense in the matter of payment, than anxious to employ only gold and silver which have passed through the mint.

At the present time, then, the precious metals are employed only as the standard of payment, or legal tender, to be appealed to in case of disagreement, a very rare occurrence; as the medium of the merest retail trade; as a reserve or security for their issues, by banks of circulation; and as the medium of paying balances of trade, both foreign and domestic. All these together make not five per cent. of the operations of industry and trade in this country, or in Great Britain. We cannot adopt any safer criterion of the actual power of the precious metals as money, than what we see; their importance and use is precisely what we know to be done with them; nothing more. All the rest is accomplished by means of credit, and the many processes of the credit system.

It must be a great and mischievous fallacy, then, to regard gold and silver coins as a sort of model medium of exchange, to the characteristics and incidents of which all other modes of interchange must be to correspond. This is nothing less than an attempt to fasten upon industry and commerce the very shackles and inconveniences which they have long been

struggling to cast away. There are many ways of making payments without using coins, each of which may stand for what it is worth, and be employed according as it may be available, without being tortured to work as coins would have worked, if they had been employed. When two men of business deal largely together, keeping the record in their books of account, which once in three months are balanced, and the mutual debts thus paid without any use of coins, there is no possible sense in which the mutual payment thus effected could be made more effectual by any reference to coins, than by this simple and economical method of balancing the sums of the various entries, debts and credits, expressed in money of account, the one against the other. This mode of payment needs no aid in theory, in practice, or by analogy, from any employment of coins; but this mode of payment is one of the main devices of the credit system. As the debts of men of business find their way into the banks, so do their credits; and the functions of the banks, stripped of their many complications, consist chiefly in balancing and thus extinguishing the debts and credits of their customers.

There is no ground, we think, for the doctrine that the incidents and characteristics which attend a currency of gold and silver should be imitated, or even referred to, in the processes of the credit system, much less be regarded as laws. All are equally agents or processes of commerce, and must be considered and judged upon their respective merits, and be employed according to the opinions and sound discretion of the parties concerned. Coins become indispensable only when claimed as a legal right.

The real origin of the deposit banks, such as Amsterdam and Hamburg, was the worn and deteriorated state of the coinage, which, at that time, was a grievance of a magnitude which only those familiar with the commercial history of that period can realize. This evil is only less now, because the circulation of coins is nearly dispensed with. These deposit banks proved to be more useful than their projectors anticipated. The circulation of the ownership of the coins was found to be much more rapid and easy than the circulation of the coins. The wear and tear was saved, and they were more efficient in bank than out of it. And it was ultimately revealed at Amsterdam, that the transfers and payments at the bank could proceed for scores of years after the specie had been removed. This, however, should have been well understood from the first establishment of the bank; for, while the ownership of the deposits was changing every day, no one had an opportunity of verifying the fact of the amount being actually in the bank. Every man who accepted a credit in the bank took it upon his confidence in its administration. The money system, to this extent, thus resolved itself, by a sort of necessity, into a credit system.

The credit system was, in fact, a growth (*ex necessitate rei*) of necessity. It was indispensable to the advance of civilization and industry; it grew with the progress of commercial punctuality and integrity; it now flourishes only in this soil, and cannot be destroyed where it finds this aliment of its growth. It sent forth many vigorous shoots, in various countries, long before it attained its present magnitude and wide extension. The payments at the fairs so prevalent in Europe during the middle ages, some of which continue even down to our time, were, to a large extent, made by setting-off debts against debts. Men learned to pay their debts with their credits; and this mode of payment only disappeared as the progress of the credit system, and the growth of cities, absorbed both the business and the pay-

ments of the fairs. These payments at the fairs revealed that the best fund with which to pay debts is debts. Every debt implying a credit, no one could better employ his credits than in paying his debts. This required no money, and was, therefore, not only economical, but free from innumerable risks and troubles inseparably connected with payments in money.

The Banks of Venice and Genoa were both remarkable forerunners of the credit system, and beautiful examples of its economy and power. The political and commercial importance of these two great republics were, in a great measure, owing to their respective banks, the oldest and most important of which we have any account. The lessons taught by these institutions have no doubt entered largely into the progress of the credit system, as now developed; but we strongly insist that the study of the system of these two banks is yet necessary to any thorough comprehension of the power of credit, and of what is necessary to an enlarged and efficient financial system.

The capital of the Bank of Venice consisted of a debt due by the republic to its citizens. The Government took the money, and gave in its place an inscription on the books of the bank for the amount, bearing interest. The Government returned the money immediately into the channels of circulation among its citizens, whilst the lenders of the money circulated the debt as a deposit in the bank. All the large payments of this great commercial city were, for many centuries, paid in this fund, and the gold and silver coins were released for the purposes of the retail trade, the payment of foreign debts, and the foreign expenditures of the republic. The Government of Venice dealt faithfully with these holders of stock in the bank, not only paying the interest punctually, but redeeming any amount which seemed superfluous, or beyond the demand of the public. This policy not only kept the bank fund at par with specie, but more than twenty per cent. above it. The bank was always open to further loans to the Government, when such investment was in demand. The capital of the bank fluctuated in amount according to the wants of the people, and not according to the wants of the public treasury.

The Bank of Venice performed its functions for over five hundred years, with a uniformity of success, and immunity from censure or complaint, which no other currency has enjoyed for a tithe of that period. During that time of vast commerce and immense public expenditure, the republic had incessant trouble with their own and foreign coinage, and very many stringent regulations were made and enforced, to cure evils and prevent abuses; but we have no record of abuses on the part of the bank, or of injuries inflicted by it upon the people.

Believing that the commercial fairs of Europe, and the banks of Venice and Genoa, were capable of imparting historical lessons not yet properly appreciated, we have brought them more prominently before the reader than has been done in any work upon money or currency. We have, in later times, achieved a method of clearing debts between banks; but a lesson may be learned from the payments at the fairs, of successful clearing between individuals. There is no reason, in theory or in practice, why clearing may not, to a considerable extent, be practised between individuals mutually indebted. The history of these fairs furnishes abundant exemplification of this most economical and effective of all the modes of payment.

The history of these celebrated banks furnishes other lessons which will richly repay the most careful attention. They demonstrated the efficacy of circulating deposits as a means of payment, and that the deposits were just as effective when they consisted of a debt due from the Government, as if they were gold or silver; and they showed that it was possible to keep the amount of this public debt, as held by the depositors in the banks, within a range of amount which not only prevented depreciation, but kept the deposits always from fifteen to thirty per cent. above gold and silver.

The distinction between credit—the confidence which men place in each other, and which induces them to defer the day of payment for goods purchased—and the credit system has not, in our view, been sufficiently observed. The credit system springs from credit; there could be no credit system without the exercise of that confidence which accepts a future instead of a present payment. The two processes are, however, wholly different; credit refers to confidence, and to the postponement of payment; the credit system refers chiefly to the mode of payment. It is that system by which the payments for commodities are separated from the transactions to which they belong, and made a separate business. More than nine-tenths of all the payments of industry and trade are effected through the processes of the credit system. The payments thus made are in no degree connected with, nor dependent upon any reference to, or any employment of the precious metals. The credit system is that by which men set-off the debts which others owe them against those which they owe to others. This, of all modes of payment, involves the least risk, and is the most effective, satisfactory and economical. No currency can be more suited to pay a man with than that which he has issued himself. It is that which the credit system employs; and it may be added, that this system keeps books of account for those who avail themselves of it, in which they take credit for what others owe them, and are debited with what they owe others.

The magnitude and complication of the credit system conceal its details, and render it, as a whole, difficult of comprehension. It is only by severe and continued analysis that the processes of this vast system of payments can be even partially displayed to the view of the reader.

Books of account may be regarded as one of its most effective agencies. The merchant who debits a manufacturer five thousand dollars for raw materials in the course of six months, and gives him credit for finished goods to the amount of seven thousand dollars in the same period, is very willing to unite with his customer in discharging ten thousand dollars of this debt by balancing the account between them, leaving only two thousand to be paid otherwise than by the balance. The merchant and his customer each receive payment of five thousand dollars without money or currency. Each is paid with the debt he owes; the book is the evidence of the debts, and the balancing is the act of payment.

The issue of promissory notes by each of these parties for the five thousand dollars does not alter the nature of the transaction, but only the mode of payment. The notes, instead of the books, become evidences of debt; and if the notes are exchanged directly, no other payment is necessary. If the merchant finds it for his interest to negotiate the note held by him, the complication commences. But the debts to be paid are not increased; the real nature of the business remains the same; the parties have only changed. The merchant receives the amount payable to him from the person to whom

he negotiated the note; and with the amount so received he can pay the note given by him to his customer; and this customer can, with the amount so received, pay the amount of his note negotiated by the merchant. It is the same when both parties negotiate the notes they take; both remain debtors for the notes they gave, and both receive the amount needful to pay, from the parties to whom they transfer the notes. It is thus with all who give and take notes in the course of their business; they use the notes they receive to effect the payment of the notes they give; and it is the same with bills of exchange.

To effect this, further complications and devices become necessary. A class of men is formed, who make it their business to deal in these securities, or evidences of debt. If a banker or broker purchases the two notes given by the merchant and his customer, it is obvious that both receive the means from him to pay the notes, of which he has become holder and owner. The process of payment between them will be very simple, if the banker merely give each of the two parties credit on his books for the proceeds of the notes purchased of them. Their respective checks on these credits pay off the whole indebtedness, except the interest deducted for the time the notes had to run, which interest they must pay in other funds.

Banks become, in this way, substantially book-keepers for their customers. They discount promissory notes and bills of exchange at their instance, giving them credit in account for the proceeds; the banks can well afford to take checks upon these proceeds in payment, because they give nothing else for the paper; and every check given in payment reduces the liability of the bank to that amount. The customers of the banks are indebted in large amounts for notes given, and are creditors in large amounts for notes received; the notes are all either discounted by the banks, or placed in them for collection; and the banks thus represent both creditors and debtors. So far as the banks have issued bank-notes, or given credit for promissory notes and bills of exchange, they can receive them in payment, for it is their own currency. Their liabilities to the public are for bank-notes, and credits on deposit; and the return of these in payment is a redemption, to that extent, of their liability.

The books of the banks furnish, thus, a mode of adjustment by which the customers are enabled to apply their credits to the payment of their debts. The profit or commission of the banks is the interest for the time the discounted notes have to run. Promissory notes placed in the banks for collection are usually paid in the same way: the banks can afford to take their own currency for these also, because it is, to that extent, a further redemption of their debt to the public. So far as the indebtedness of the customers of the banks is mutual, it is readily extinguished, for to that amount the debtors hold credits sufficient to make their payments. Every one who has a balance to pay, must do it, of course, to the satisfaction of the bank. It is by the operation of this process that the discharge of much the largest portion of the debts annually paid in the United States is effected.

This process continues with a regular step, because the notes held by the banks mature day by day, and must be met; the proper fund to pay them is that which the banks gave for them, and this is not only the most abundant, but the most accessible. The demand for this fund is, therefore, as strong and constant as the necessity of paying commercial paper at

maturity. In becoming chief creditors of the men of business, the banks issue a currency which would not otherwise exist, and which becomes a medium specially adapted, in quantity and kind, to pay every debt due to them. The debts payable at the banks are the proper absorbents of the currency issued by the banks. This currency is good, and attains circulation because it is in demand, not only by all the debtors of the banks, but by all who are their debtors. Such a large and constant demand, in fact, makes this currency available to a very wide extent.

The debtors of the banks become such by giving promissory notes for commodities of trade in general use; and they stand ready to receive for these commodities that bank currency which will pay their debts. The tendency of this currency is, therefore, and should be, to flow back to the banks in extinguishment of debts there payable.

In this, as in many other things, where the largest advantage is found, there is found also the greatest danger of abuse. The great demand for this currency, arising from the urgent necessity under which debtors to the banks are placed, of paying their notes as they mature, invests the bank currency with the full power of money; for that which will pay such a vast amount of debt is needed by so many, that it will purchase whatever can be obtained for money. The banks seem thus to have it in their power to manufacture money, and they are importuned to lend this currency as if it were money. Their power of safely issuing it is limited strictly to the demands of those who require it to pay debts maturing in the banks. It can only be good when the debtors of the banks are able to purchase it from the hands of the public, and when they do so purchase it to pay their debts in bank. It is not money; it has only this function of paying debts in bank, and circulating as a substitute for money, under the stimulus of the demand for it by the debtors of the banks.

The banks have, however, at various times and places, fallen largely into the error of lending their currency as money; and there have been many occasions and periods when their debtors became unable to return it to the banks; and then it was often found that the promises of the bank were worth not so much as the paper on which they were printed. No more of this currency can be issued safely than the banks can find not merely safe men to borrow, but men who have something with which they can actually redeem it from the hands of the public, and restore it to the issuers. If the circulation is not kept active by the demand of the debtors, and if they do not return it at as rapid a rate as that at which it is issued, payment will be demanded of the banks at a rate with which they cannot possibly comply. This abuse of issuing currency without due precaution, and in amounts wholly unjustifiable, is the most common, and one of the worst abuses of banking; and it occurs from ignorance far more frequently than from fraud.

The remedy for these evils which has been most relied on, is that of placing the banks under stringent obligations to pay their currency on demand in specie. This would be a complete remedy, if compliance were possible; but that is not the case—far from it. It involves a stock of the precious metals in the country equal to the deposits and circulation of the banks, and applicable to this purpose of remaining in the banks as a security for their issues. Security, absolute security, should be required of the banks; but it is surely an error to assume that the security must be gold

or silver. There are many ways of securing debts, but gold and silver are rarely thought of as security; yet it is required of the banks to three times the quantity in the country. The banks are required to hold this security for public benefit, which involves two great absurdities; one, that the banks should bind themselves to perform an impossibility; the other, that they should be the holders of the security on which the public is to rely.

The fact that bank currency can, to a certain extent, perform the functions of money, is only incidental; it is not its office, nor special purpose. Because its special use, however, gives it this power, and therefore opens a wide door of temptation to abuses and over-issue, security becomes necessary not only as a restraint, but to make good losses and damage. This security should, therefore, not only be such as can be given, but such as would be always safe and available; and the banks should not be the holders of it.

The exaction of payment on demand by the banks in coins for all their issues, is not only a demand with which they cannot comply, but it has served further to obliterate the distinction between bank issues and money. So long as no demand is made upon the banks, it is assumed that their issues are convertible at the will of the holder. They obtain, by this means, a higher credit and wider circulation; and that is looked upon as money which is, by theory, convertible, and which is assumed to be so in practice. The temptation to both banks and borrowers is thus increased, and the volume of bank issues swelled, until a collapse becomes inevitable. As the special function of bank currency is to pay debts to the banks, the rule of issue should be not what they can put into circulation, whether deposits or notes, but what they can recall by the payments of their debtors; for if they do not return the notes, the banks can never redeem them.

In all the processes of industry and commerce, there is probably no absurdity tolerated equal to that practised by the banks, of discounting the paper of their customers running from two to six months, and giving their bank-notes or credits payable on demand in coins. The persons who give these notes take from two to six months to arrange for their payment; the banks intervene, abolish the credit which the course of trade dictated to the parties, and become responsible for the whole instant.

The Banks of the United States incur this liability every year, to the extent of not less than \$3,000,000,000, and are at no time free from a demand for less than \$500,000,000 in specie, a quantity more than double that in the country, and tenfold that held by the banks. There is no conceivable plan by which the banks could fulfil this engagement. It would be impossible for the drawers of the paper thus taken by the banks to anticipate the maturity of their obligations, and pay them in coins; any law framed to enforce such anticipation would be regarded as the height of absurdity and injustice. It is this fearful blunder which has made banks of circulation the terror of many minds, and the object of such prejudice and reproach as scarcely has a parallel. Whilst they fulfil their legitimate functions of purchasing individual paper with their own currency, and receiving that currency again in payment, their usefulness is admitted and extolled; but whenever the sole test of their soundness is applied, and payment in coins for their issues is demanded, they have no choice but to be ruined, or to ruin their customers. They cannot pay their notes and deposits in gold or silver, and must suspend, or commence a contraction of

the currency, which works a public injury many times greater than the capital of the banks concerned; it not only ruins individuals, but causes the sacrifice of a vast amount of property, and works a still greater loss by depreciation.

If this test of paying all liabilities on demand were applied to the richest firms in the nation, they would all fail. That the banks undertake thus to pay does not alleviate the absurdity; for, on the one hand, they should not be permitted to undertake an impossibility; and on the other, no reliance should be placed upon a security absolutely unavailable.

We impose upon the banks, as a test of their solidity, a condition which, when the time of trial arrives, becomes a scourge to the whole community in which they are situate. It is a test which enables the banks to resist the fulfilment of their engagements by inflicting a grievous calamity upon the public. When called upon to pay on demand, they resist it with all the powers of attack and defence they can wield; and they claim to be sound, not unfrequently, because they have hurt the public more than the public has damaged them.

In place of this dangerous condition, the banks should be required to give ample security for both their notes and deposits, and that security should be lodged with the State; they should be required, under severe penalties, to keep their issues at par with specie. Their notes and deposits should, at all times, be receivable for any debts due to them, or payable at their counters; but they should not be bound to pay specie in any other way than it is payable by their customers; that is, at the maturity of the paper discounted or purchased by them. If the individual paper taken by the banks averages two months to maturity, then their customers have these two months in which to employ the bank-notes and deposits issued to them in payment of their debts in and out of bank; and during that period of adjustment, the banks should be exempt from any demand for specie upon their issues so employed, both because they are performing a legitimate office for which they are specially adapted, and from which they could not be withdrawn without serious evil; and because the credit on the paper for which they were exchanged is not expired. The claims of the banks on the public ought to proceed *pari passu* with the claims of the public on the banks.

On this principle, the issues of the banks would be absorbed in payment of debts due to them. If not so absorbed, the banks should only receive in payment that which will redeem them when presented. Whatever liabilities of the bank are not thus redeemed, should be amply covered by available security.

The practice of paying or extinguishing debts by the process of clearing, now becoming so common among the banks, is not new. Three centuries ago, a very large proportion of the payments of central Europe were made in that way. Then it was effected, on a large scale, between individuals; now it is wholly confined to the banks. Then it was the chief mode of accomplishing the vast payments arising from the trade of the multitudinous fairs of that period; and it so continued, until other modes of commerce supplanted that of the fairs. The clearing at the fairs was simply a process of setting-off debts against debts—the same, in effect, as balancing book accounts. A. said to B., you owe me a thousand florins; pay that amount for me to C., to whom I am in debt. This being done,

A. is acquitted, and thus the process goes on. It is obvious that the final balances, among hundreds assembled for that purpose, may be reached by setting-off mutual debts, and drawing verbally on each other at sight, where the process involves more than two persons, and thus continuing to pay, until the result is reached of those who have more coming to them than they had to pay, and of those who had more to pay than they had due to them. The conclusion of the whole was, that the balances to pay were the exact amount of those to receive.

The mode of payment which had most prominence in large transactions, after clearing began to lose its importance with the decay of the fairs, was that of circulation. This was practised not only at the great Banks of Venice and Genoa, but also at the deposit banks which succeeded them. The same money in a bank, or the same credits upon the books of a bank, was by this method kept circulating or passing from person to person, accomplishing a continued circle of payments. Its effectiveness did not come to an end, for it moved in a circle embracing nearly the same parties, gradually passing from the men of one generation to those of another. This circulation is still in full vigor in the Bank of Hamburg, and other survivors of the deposit banks of the seventeenth century; but it has no counterpart in our more modern institutions. The deposits in our banks are the proceeds of discounted commercial paper. The credits issued by the banks, of which these deposits are composed, are absorbed and wholly extinguished whenever they are paid to the banks. Their place is supplied continually by new discounts and new credits.

This mode of payment by circulation of the same money, or the same fund, as, for instance, national debt, differs from clearing. In the former, it passes from hand to hand, performing all the payments its successive owners can effect with it. If these owners were seated at one table, they could circulate a sum in coins from hand to hand to the same effect, and see the money before them at the same time. But if seated at the same table, they could extinguish a large portion of their debts by simply exhibiting their claims, and balancing or clearing them, so far as mutual, and by verbal transfers, as in the fairs, until the final balances were reached, seldom over five per cent. on the amount paid.

Clearing is, beyond all question, the simplest, the most economical, and when applicable, the most efficient of all modes of paying debts. It is precisely analogous to balancing accounts. Parties who are in business relations arrange to ascertain daily, or at convenient times, the state of their mutual claims; and having verified, extinguish them by set-off. The banks of New York extinguished among themselves in that way, in 1857, upwards of \$7,000,000,000, or upwards of \$20,000,000 each day, upon which the daily balances did not exceed five per cent. This enormous sum is cleared in New York alone, without the use of any currency or medium of payment whatever. It is done by evidences of debt bearing the items of mutual claim, by a statement of the amounts, and by the processes of a balance.

The banks in other cities avail themselves also of the economy and facility of this process. These clearing establishments have been gradually improving their methods, and we believe there is yet room for progress in that respect, not only as between banks, but that the same principles and processes are susceptible of many applications between individuals.

This would not only be an advantage to those who may adopt them, but, would exert considerable influence in reducing friction in the operation of the money and credit systems. A comprehensive treatise on this subject, in which the subject should be thoroughly treated in reference to its possible applications to clearing between individuals, would be an important addition to commercial literature. The fact that those who give credit to the greatest extent take it from others most liberally, and that the object of such persons is to apply their credits to pay their debts, furnishes sufficient ground upon which to build such an inquiry.

The subject of interest has engaged our attention upon only two or three points. Interest is almost exclusively considered in the light of a charge for the use of money. No adequate explanation of the term interest, as now very generally employed, can be given from that point of view. Strictly speaking, very little money is lent upon interest; there is probably, in the United States, ten times as much interest paid as there is money lent upon interest. We do not regard the proceeds of discounted notes, whether they take the shape of bank-notes or bank deposits, as money. They are merely the credits or securities of the bank substituted for those of individuals. Yet these bank-notes, but more especially the deposits, are really the chief medium of payment. The fund upon which interest is chiefly paid, is that which stands in the banks under the name of deposits. The two great items of interest paid in this country are the deduction made from notes and bills of exchange sold or discounted, and loans of amounts deposited in the banks, the proceeds of discounted paper.

Gold and silver are seldom lent upon interest; they are never sought for as a medium of payment, because a check upon a bank is preferred. Gold will command no higher rate of interest than a credit in bank. When interest has advanced even one or two hundred per cent., there is no corresponding advance in the precious metals. The current rate of interest depends upon the facility of obtaining the needful supply of that fund which is usually employed in paying debts. It is not the plenty or scarcity of this fund which determines the rate of interest, so much as the disposition of the holders. The fluctuations in its amount do not correspond with the fluctuations of interest. It often happens that the deposits in the banks are largest when the rate of interest is highest.

There are many speculations about the level of the precious metals, about money flowing to one country and from another: this flux and reflux, when applied to problems of interest, furnish no light. Within the range of trade, foreign or domestic, the precious metals receive little impulse in any direction from the rate of interest; nor do they exert upon it any appreciable influence, except so far as the loss of specie by the banks may lead to a contraction of the currency.

We have discussed the topic of prices more elaborately, perhaps, than was necessary for our purpose, which was chiefly to show that the relation between the quantity of money, or currency, and prices was not, by any means, so close as many have supposed. The notion long prevalent, that prices were exactly adjusted to the quantity of currency, is shown to have been long since exploded. Among the innumerable influences which go to determine the general range and fluctuation of prices, the quantity of money or currency is found to be one of the least effective.

This subject is specially important as bearing upon the results of fluctu-

ations in the issues of banks. Besides the fact, that quantity of currency has less effect upon prices than is generally supposed, it is to be taken into account that, for all the currency issued by the banks, there is a special and constant demand from the debtors of the banks, which prevents it from having as much influence as it might otherwise have. The debtors of the banks having in their possession the whole range of commodities to which prices apply, are offering them for this currency, to secure it for their constantly recurring payments. Their constantly maturing obligations do not permit them to hold out for extra prices.

We have dwelt at some length upon the subject of public payments, with the view of turning the minds of financial inquirers to a topic which has received too little attention. Public taxation has been largely discussed in many countries; but the mere question of the best mode of effecting public payments has not received the consideration it deserves. The history of productive industry and trade shows that, for the last six hundred years, where civilization has been highest, efforts to improve the modes of payment have been incessant and most successful. From the origin of the Bank of Venice to the present day, in Europe, there has been no rest from attempts to facilitate payments, and economize the means and methods of payment. The motives which have so long and so continuously operated on the ranks of industry and of trade must have been not only strong, but well founded.

That which has so constantly occupied the minds of men of business cannot be beneath the notice of governments, under the same circumstances. If the annual receipts into the Treasury of France are \$300,000,000; if the annual receipts into that of Great Britain are \$260,000,000; and if, in the United States, the Treasury annually receives \$75,000,000, the mere method of receiving and disbursing these vast revenues must become an important consideration—very important, if we take the conduct of the most intelligent men of business, for ages past, as a criterion. This importance refers to the people from whom the revenues are collected, as well as to those to whom they are paid, and to the government itself, in regard to the facility and economy of its financial operations.

A financial system should be specially adapted to the habits and customs of the people for whom it is designed. No government can long depart from the usages of its people, or disregard their modes of business, without paying some penalty, soon or late, for the mistake. We regard the present mode of administering the Treasury of the United States as involving this error. The habit of the people to employ paper currency and credit wherever they are applicable, is almost universal. This use would be still more general and uniform, but for restrictive laws, which the abuses of banking have provoked. In the face of this custom of the country, the public treasury has rejected the use of paper currency altogether, and reserves for itself an exclusive currency of gold and silver. This policy has had, during nearly its whole existence, the extraordinary support of the California gold mines, and has not, therefore, developed fully the harsh and evil tendencies with which it is fraught. The day is approaching when this system, if continued in its present shape, will create a financial disturbance great enough to shake the industry of the country to its centre, and endanger any administration which may attempt to uphold it.

We have compared our exclusive system, as administered under the act

of 1846, with the financial systems of France and Great Britain, and find nothing in either to justify or encourage us in continuing a scheme of finance so fraught with peril to the interests of labor and trade. We refer to the manner in which that act has been carried out, not to its provisions as they stand in the statute book. Our system assumes at once the attitude of being independent of the people and the commercial institutions of the country. It has been very aptly called the Independent Treasury, for it admits no sympathy and no relations with the business or the interests of the people. In Great Britain, the exchequer leans upon the Bank of England, the greatest commercial institution of the country; and in this way a sympathy between the movements of the exchequer, or public treasury, is established, which runs through and tempers, if it does not control, its whole operations. Besides this, the exchequer is a constant borrower from the people, to the extent of nearly the whole annual revenue upon exchequer bills. It borrows, in anticipation of the public revenue, from those who lend voluntarily upon short loans, and is thus enabled to disburse the revenue previous to its receipt. This is a great accommodation to a large class of lenders, who are pleased to have an opportunity of realizing interest upon short loans, and upon such undoubted security; this class are thus kept in constant relations with the Government, and are prompt to supply the treasury with any required assistance in financial emergencies. The creditors of the public derive even more advantage from this mode of disbursement in anticipation; for the exchequer being always ready to pay, the whole payments of the annual expenditure are made not only with more regularity, but probably weeks, if not months, in advance of what would otherwise be the time.

The present financial system of France, the result of a reform which has been in progress under the auspices of men of great ability and experience for more than thirty years, is perhaps, in many aspects, the most perfect of any now extant. It has rescued the finances of France not only from the greatest confusion and embarrassment, but has placed them in a more enviable position than those of any country in Europe. To the astonishment of the capitalists of Europe, the Government of France was able to borrow, in 1855, for the expenditure of the war in the Crimea, upwards of \$250,000,000, without resorting to the city of Paris, or capitalists out of France. Not only so, but the sum actually offered in the departments out of Paris was \$332,000,000. This offer to the Government was from 360,000 persons in the interior of France, very few of whom would have been lenders to the public but for the very excellent financial system which now prevails in that empire.

In Great Britain and France, large use is made of treasury notes, called, in the one, exchequer bills, and in the other, *Bons du Tresor*. In both countries, the ministers of finance are permanently authorized to issue them upon certain principles, and under specific regulations. In England, the exchequer bills are issued and managed with a skill and success which nothing of the kind can surpass. In neither country has there been an over-issue of these treasury securities, for more than a generation past. In Prussia, a treasury currency in denominations as low as five dollars has been issued, for that length of time, and no abuse has occurred. It is very true, that the over-issues of the assignats during the French Revolution, of the continental paper currency during the American Revolution, and the

later over-issues in Russia and Austria, are well calculated to create distrust in the minds of all whose attention is turned to the use of a paper currency for public purposes. But as this whole matter resolves itself into questions of knowledge, official integrity, and financial skill, it should not be summarily dismissed, unless it is conceded that these requisites are beyond the reach of our government. When we remember the fact, that a bank can, with its own notes, or credits on its books, purchase commercial paper to the amount of millions of dollars, and that it can take its own notes and issues in payment of this commercial paper as it matures, thus providing a special currency for this purpose, and saving the use of millions of money—when we know that many nations could pay the entire national expenditure in treasury notes, and that they could, of course, afford to take such notes in payment of all dues at their public treasuries, we should hesitate to give up the problem of a government currency as impossible to solve.

The truth is, not only can it be solved, but it is of much easier solution than many others which constantly engage the attention of men in authority. The order, subordination, and numerous checks which now characterize our treasury department, are a far greater triumph of financial skill and good administration than would be the successful employment of treasury notes as a currency. Of course, such an issue by the treasury could only be upon a well-devised plan, and well-settled principles, to be as faithfully observed as are the present processes of the many functionaries of the Treasury Department.

The leading principle of every such emission of paper, as well as that of the banks, is to issue only so much as will return in the regular course of the business in which the issue is made. It is not, and should not be, the issue of so much as will not probably be returned for payment, but the issue of so much as will inevitably return in payment to the issuer. Whatever amount the return payments to the issuer will absorb, is a safe emission; beyond that, all is unsafe. The Treasury of the United States could, in any year, issue one-fourth the amount of the estimated income in treasury notes; the next year, one-half; the following year, three-fourths; and by the experience gained in three years, the officers intrusted with this duty could manage such emission without danger of over-issue. If the public would not readily receive them, they should not be issued at all; if they should fall below par, immediate measures should be taken, at any cost, to recall them in such quantities as would restore them to perfect equality with gold.

The suggestions made in the chapter on public payments are chiefly intended to stimulate inquiry, and secure the attention of men whose experience in financial affairs, and general knowledge of business, may enable them to throw some light on the interesting questions involved in the whole subject.

Although it has not been our design to propose reforms, or even to give intimations of that kind, we cannot forbear introducing here a further remark on the subject of bank deposits. In our large cities these are of great amount, and upon their management depends very largely the state of the currency throughout the whole country. If city banks are constrained at any time, by a demand for the precious metals, to contract their issues, and to withhold the customary facilities of banking by refusing to discount commercial securities, the contraction of currency which ensues becomes an

occassion of loss and damage often tenfold greater than the amount of specie involved in the demand. A contraction of currency by the banks in New York soon extends its baleful influences throughout the whole land. The mischief becomes vastly disproportioned to its cause. It is in view of the magnitude of this evil, and of its frequent and inevitable occurrence, that we make a suggestion, dictated more by a desire to save the community from harm, than to save the banks from any liability for specie to which they are justly exposed. The banks should be even more desirous to prevent these evils than to protect their reserve of coins and bullion.

The danger of the city banks, which drives them to the measure of contracting the currency as a defence, arises mainly from liability to pay their deposits on demand in specie. Now, however great may be the difficulty of changing our present banking system, so far as bank-notes are concerned, it does not extend to deposits. These belong to the customers of the banks, residing for the most part in their vicinity, whose chief business with the banks is, through them, to apply their credits to the payment of their debts. This is mainly done by the proceeds of discounted notes, with an average of more than two months to run. The banks may propose to this large class, that the proceeds of discounts shall only be entered to their credit, payable in legal currency when the discounted paper matures, but receivable as now at all the banks for every debt payable there. This would insure the deposits, for every legitimate purpose to which they are applicable, ample circulation; indeed, they would be no less current and acceptable than they are at present. They could, with equal effectiveness, fill every proper function to which they are adapted. They would cease to be an object of overwhelming alarm whenever a demand for the precious metals occurred; the banks could, therefore, in the face of such a demand, continue their discounts, and supply the usual facilities of payment, knowing that the constant progress of payments to them would absorb all these issues of credit before specie could be demanded for them.

Some modification of this plan might certainly be arranged by men with clear views of the subject, and sufficient experience in banking; the effect of which would be to place the city banks upon a safer basis than they have ever yet rested on, and to take away from them all pretext for those sudden contractions of currency, which, whilst they are a scourge to industry and trade, make the banks themselves constant objects of reproach and detestation to a large class of the community.

There is nothing in the law of legal tender to prevent this. The banks now agree to pay the proceeds of discounted notes on demand, and of course that law places them under the obligation of paying in gold or silver. But on the plan proposed, the banks would only agree to pay the proceeds at maturity of the discounted paper, with the additional stipulation that these credits would be receivable in all payments to the banks. Under such an arrangement the banks would, at all ordinary times, treat these deposits precisely as they do now; but in case of a demand for specie for exportation, they could choose between contracting the currency and refusing to pay specie, except under the terms of their contract with their depositors.

The order in which we have presented the subjects of this volume seems to us the logical one; but we have no doubt there are many who will be more inclined to look first at what is advanced on the subject of

the credit system. This will naturally be the case with those who are already familiar with the subject. All such may commence their examination at the seventh chapter, turning to the previous chapters only as they may find occasion, from the tenor of the matters discussed.

THE USURY LAWS.

REPLY OF MR. JAMES GALLATIN TO THE PAMPHLET OF MR. JOHN WHIPPLE.

ON Wednesday evening, March 2d, Mr. James Gallatin, at the invitation of the Young Men's Association of Albany, read at the Assembly Chamber the paper recently read by him before the Board of Currency of this city, in reply to a pamphlet of Hon. J. Whipple, of Rhode Island, on the usury laws. Before reading his paper Mr. Gallatin made the following remarks:

In the preface to an addition of Mr. Whipple's pamphlet on the Usury Laws, published at Boston in 1857, will be found a letter of Hon. W. W. Wick, of Indiana, dated March 7th, 1849. On no occasion have I made any remarks on this letter, and now notice it, as it is connected with, and is calculated to throw some light on the important question of the currency, which at this moment occupies so much of the attention of the legislature and of the country. The letter states, "That in Indiana the usury laws were repealed twelve or fourteen years ago, (in 1835, '36, '37.) Many (persons) were sold out of house and home ere public attention was directed to the subject Had the legislature not interfered and tied the hands of the spoiler, an immense amount of property would have changed hands in a few years." We all know, that stimulated by the example of New York, (without duly considering the difference of position,) Indiana undertook the construction of the Wabash and Erie Canal; it was necessary to borrow money for the purpose of building this canal, and the bonds of the State were issued. The land in the neighborhood of the canal rose immensely in value. The years 1835 and 1836 were years of the wildest speculation and over-trading. The State of Indiana plunged heedlessly into internal improvement speculations. The banks expanded the currency, and when the reaction came, and a contraction could not be avoided, some of these institutions, loaded down with fictitious paper and dishonored state bonds, were immediately swept out of existence. The bank of Mr. Biddle, styled the bank of the United States, after a year or two of vain struggles, broke down into hopeless bankruptcy. Not only many of the citizens of Indiana who had speculated wildly in lands became insolvent, but the State itself could not pay the interest on its bonds, and had to resort to temporary expedients in order to pay the salaries of its officers. Now what does this detail of facts show? It shows in the clearest manner that that abyss of evils into which Indiana was precipitated, is to be at-

tributed, not to the repeal of the usury laws, but to a vicious administration of the government and a monstrous profusion of paper money.

I must now beg of you to indulge me for a little, while I bring before you a similar state of things as those which existed in Indiana, in a State where the usury laws were never abolished, and where the legal rate of interest always remained at six per cent. per annum, I mean the State of Kentucky. Let us recall to our minds the very memorable years, 1818, '19, '20, and draw salutary and instructive inferences. Divination is forbidden to man, but experience is his privilege; its lessons are to guide his conduct, and from what he has suffered he ought to guard against what he has to fear. The case of Kentucky affords a remarkable illustration of the very obvious truths on which we have now been insisting. In the year 1818, forty-three new banks were chartered in that State. Thirty-five went into operation; their nominal capital was between seven and eight millions of dollars, but their actual capital, what by making loans on their own bank stock, and similar devices, must have been very small; paper money became very abundant. There was a great expansion of the currency; prices advanced, this was very agreeable to the speculator. But in 1819 a contraction of the currency took place, which caused a pressure on the money market—reduced prices—paralyzed trade—brought about failures. Some of these banks made for a short period a show of specie payments, then paid out notes, redeemable in 365 days after date; but before the close of the year few of them paid any thing. The State of Kentucky then adopted what is called the "relief system," stop laws, stays of execution, &c. The judges of the courts, however, declared those laws unconstitutional. The legislature established new courts, and judges were appointed friendly to the relief system. The people divided into two parties, and the contest was conducted with great violence. In 1826 the friends of the old courts elected a majority of the members of the legislature, and have ever since retained the ascendancy. All parties now admit, that this relief system was the cause of great evil, as it tended to destroy the confidence of men in one another, and in the government; for governments were established for the protection of property, to insure and maintain the religious fulfilment of all engagements lawfully contracted.

The framers of the general banking law of the State of New York, deeply impressed with the dangers of an unrestrained and unsecured emission of paper money, so fatal in its influence on prices, so distressing in its effects on the laboring classes, and so subversive of those principles of security to property, which are the foundation of all civil society, have, in order to remedy the evil, required the deposit of stocks and bonds and mortgages with the superintendent of the banking department, as a security for the circulating bank notes; these securities, though many of them are unavailable in times of great commercial pressures, secure the ultimate payment of the notes. Some good has been achieved by this; but experience has shown that this is not sufficient to prevent an expansion of the currency, which leads to over-trading, till over-trading again forces a contraction; thus producing those alternations of extravagant excitement and of fearful depression, which this country has so often experienced of late years. The deposits, or cash credits on the books of a bank, whether made in specie or bank notes, or arising from a note discounted by the bank, or from the collection of individual notes, or bills of exchange, are

liabilities of the bank, payable on demand, like bank notes, in specie. The bank notes and the deposits rest precisely on the same basis, for immediate payment, on the amount of specie in the vaults. Bank notes and bank credits, or deposits, are convertible into each other at the pleasure of the possessor. We can in no respect whatever perceive the slightest difference between the two; and the aggregate amount of credits payable on demand standing on the books of the several banks, we cannot but consider therefore as being part of the currency of the United States. Merchants rely for the fulfilment of their engagements on their own resources; banks, not only on their resources, but also on the probability that their creditors will not require payment of their demands; this probability is always increased or lessened, in proportion as the liabilities of the bank are moderate or very great. The only efficient mode, therefore, of restricting the banks, is in the amount of their loans and discounts, in reference to the capital actually paid in; and in requiring them at the same time to have in their vaults a certain ratio of specie, as compared to their immediate liabilities; (this exclusive of their circulation of notes, as they have lodged security for their payment.) The efficiency of the first provision depends entirely on the reduction of the maximum of loans and discounts. It is the opinion of those, the best informed on the subject, that no bank should be permitted to extend its loans, including stocks, and every species of debt, beyond twice the amount of its capital. By the law of the State of Louisiana, no bank is permitted to let its specie at any time fall below $33\frac{1}{3}$ per cent. of its immediate liabilities. I cannot therefore believe that any valid objection can be made to a restriction of 25 per cent. The excessive and fatal expansions of the years 1836, '37, and those of 1857, could not have taken place had the maximum of loans and discounts been properly regulated, and the banks at the same time been compelled to keep a fixed ratio of coin as compared to their immediate liabilities. The banks of Louisiana, where they are so restrained by law, did not suspend specie payments in 1857.

The Governor of the State of New York, and the superintendent of the banking department, both urged in their communications to the legislature, in January, 1858, the passage of an act fixing a minimum of specie. And certain banks of the city of New York, members of the Clearing-house Association, at the commencement of the same year, feeling the necessity of having a restraint upon the discount lines of the banks, agreed among themselves to keep at all times 20 per cent. of their net deposits in coin in their vaults; this is too small an amount, and experience has also shown that several of the banks do not consider this agreement as binding upon them; and when there shall arise any considerable demand for specie growing out of an unfavorable state of the foreign exchanges, or from any other cause, it will be found that nothing but a legal enactment strictly enforced, will have the desired effect. Also at a meeting of the said association, held in March, 1858, it was proposed to enter into an agreement, if all concurred therein, not to allow interest on deposits or balances of any kind, because, as it was asserted, "A bank having committed the first error of paying interest on deposits, is therefore compelled, by the necessities of its position, to take the second false step and expand its operations beyond all prudent bounds. Forty of the forty-six banks who composed the association, signed this agreement; three expressed their willingness to sign it, but the three remaining refused absolutely their assent, and the

agreement was not consummated. Let it not, however, be supposed that I state these facts to serve as an apology for myself and for those who think and act with me; the measures of reform that we propose require no apology. I believe now, as I have always believed, that they are calculated to promote the best interests of the people, and that those who either by their action in the legislature, or the exertions of their talents out of it, may contribute to remove the defects existing in our monetary system, will have done themselves the greatest honor and the country an essential benefit.

The suspension of specie payments in 1837 was felt in New York as a great calamity. We learn "that a small, but determined party" viewed the suspension in its true light—a state of disgrace and reproach, in which there could be no wholesome revival of trade, and not to be tolerated beyond the year granted by the Legislature. New York resumed triumphantly in May, 1838. In 1857 the banks of the city of New York, with a specie reserve of only 12 millions, loaned out \$122,000,000, although at the time the foreign exchanges were unfavorable to the country—they speedily saw their error, and in September of that year, by a rapid contraction, endeavored to turn the exchanges; in this they succeeded, but were in October forced to suspend specie payments, in the midst of a violent panic. The occurrence was looked upon as twenty years before, as a national calamity; and the banks immediately adopted, unanimously, a resolution in favor of the earliest possible resumption; but within a few days, there were symptoms of the same opposition to resuming specie payments, that had been manifested in 1837. This time, however, the advocates of a prolonged suspension and inflation, were within our own State; in 1837 they were in other States. But the movement for resumption was vigorously sustained by the more conservative banks; and they could have resumed in ten days after the suspension, as, in consequence of the previous contraction, all the exchanges had become favorable, and coin came pouring in from all quarters; indeed, the day after the suspension \$100,000 in specie was brought into the National Bank, to be exchanged for the bills of that bank. This, however, was refused; but it was desirable that the whole State should resume simultaneously with the city, and the volume of paper money of the country banks there, was fortunately small enough to enable the city banks to take it up. This delayed the resumption 60 days; but it was highly beneficial to the credit of the State, for if the stocks lodged with the Bank Department had continued to be thrown on the market, they would have fallen still more in value; as it was, they fell nearly 25 per cent. The speedy resumption and beneficial result have vindicated the wisdom of that measure, and those who were opposed to it, now frankly confess, that "time has shown" it to be a substantial and permanent resumption. We had conceived, that there could be but one sentiment in reference to the suspension and resumption of 1857—that there could exist no other than a feeling of sympathy, and the greatest pain, for the distress which then unfortunately existed throughout the State—thousands reduced to the greatest misery by the ruin of trade; fifty thousand working people thrown out of employment in the city of New York alone—the excruciating tortments of the mind experienced by all classes of the community; do not these prove by their sad memories, that some remedy is required, some checks, and reforms needed—and here I cannot but express my astonish-

ment that a gentleman for whom I have the highest regard—whose sincerity I cannot doubt—but whose judgment, in this respect, seems to be most unaccountably perverted, express the opinion “that the late suspension and resumption have *simply* brought out into bold relief the perfection of our free bank system, in its connection with our currency.”

May I now venture to intrude upon you an allusion to my personal feelings: those who acted with me, as well as myself, were, in 1857, assailed and distressed by ungenerous appeals to our feelings. We were asked how we could, under existing circumstances, advocate, and endeavor to enforce, a speedy return to specie payments—persevere in the trial of a rash experiment, and in the pursuit of a hollow theory. Believing that the banks were bound by the strongest legal and moral obligations to resume specie payments whenever they were able to maintain such payments, that “there could be no wholesome sound trade under a depreciated currency, and that a restoration could as easily be effected in two months as two years—these appeals, however painful to receive, had no influence on our conduct—we had a duty to perform:—Immediate relief was then, in a great degree out of our power, and it the more becomes us now to trace the calamities with which we were then afflicted, and to endeavor to prevent their recurrence. It is on this principle that I am anxious that all necessary checks and reforms should be applied to our monetary system—a system which, if let alone, will again lead to ruinous fluctuations in trade and in prices of all commodities—a system which alike undermines the sober habits and the moral feelings of the community; which injures the good man in the earnings of his labor, and takes from the rich man all security in his property—and which every succeeding convulsion must add to our inability to bear it.

Pennsylvania Canals.—The sale of the State canals has been finally consummated, Mr. Moorhead, the President of the Sunbury and Erie Railroad Company, having just concluded with the Governor, State Treasurer, and Attorney General, the closing act of the entire transaction, namely, the paying over to the commonwealth, as provided in the third section of the law authorizing the sale, 75 per cent. of the excess of the price, three and a half millions, at which the canals were sold to the Sunbury and Erie Railroad Company. This excess amounted to *two hundred and eighty-one thousand two hundred and fifty* dollars. This payment completes this very important sale, and we are glad to see it has been done with a promptness auguring well for the good faith of the companies in the vigorous prosecution of the road to completion. If the president of the company shall succeed in his efforts to complete the road through to Erie during the administration of the present Executive of the State, as he promises to do, we think he may fairly lay claim to the title of the Napoleon in railroad enterprise. It will be a great achievement.—*Philadelphia Ledger*.

STATISTICS OF MANUFACTURES OF THE UNITED STATES.

WASHINGTON, January 21, 1859.

The following is an abstract or general summary from the digest of the statistics of manufactures, which has just been completed in accordance with an act of Congress, and transmitted to that body by the President. While this table presents only the general results in their most condensed form, the digest itself develops the condition of every branch of manufacturing industry for the entire country in the year 1850, and will doubtless attract a large share of public attention, as presenting the only official and authentic information respecting the manufactures of all the States which has appeared for twenty-five years. Additional value attaches to this work, as furnishing the means of establishing the progress of the mechanic arts, now and hereafter, as the eighth census is to be taken on the plan of the seventh. Provision for this compilation was made last June by Congress, and Mr. Kennedy, who was early identified with the seventh census, was appointed to complete the digest, which it is believed he has satisfactorily accomplished.

Manufactures of the United States for the Year ending June 1, 1856.

STATES.	No. of Establishments.	Capital.	Cost of raw Material.	Male Hands.	Female Hands.	Cost of Labor.	Value of Products.
Alabama.....	1,026	3,450,606	2,224,960	4,397	539	1,105,624	4,528,876
Arkansas.....	261	305,015	215,789	812	30	158,676	537,908
California.....	1,003	1,006,197	1,201,154	3,964	..	3,717,180	12,862,522
Connecticut.....	8,482	23,890,348	23,589,397	31,287	16,483	11,695,236	45,110,102
Delaware.....	631	2,978,945	2,884,607	3,237	651	936,664	4,649,296
District of Columbia.....	403	1,101,575	1,405,871	2,056	534	757,564	2,690,358
Florida.....	103	547,060	290,611	876	115	199,452	668,335
Georgia.....	1,522	5,456,483	3,404,917	6,650	1,718	1,707,664	7,062,075
Illinois.....	3,162	6,217,765	8,959,327	10,060	493	3,132,156	16,534,272
Indiana.....	4,392	7,750,402	10,369,700	13,748	692	3,798,844	18,725,453

Iowa,.....	522	....	1,292,875	....	2,356,881	....	1,687	....	20	....	473,016	....	3,551,783
Kentucky,.....	3,709	....	11,810,463	....	12,165,075	....	19,576	....	1,900	....	5,106,048	....	21,710,212
Louisiana,.....	1,008	....	5,032,424	....	2,459,508	....	5,458	....	759	....	2,033,928	....	6,779,417
Maine,.....	3,974	....	14,699,152	....	13,553,144	....	21,853	....	6,167	....	7,485,588	....	24,661,057
Maryland,.....	3,726	....	14,764,450	....	17,394,436	....	22,678	....	7,433	....	7,385,832	....	32,591,892
Massachusetts,.....	8,259	....	83,857,642	....	85,856,771	....	96,261	....	69,677	....	39,784,116	....	151,137,145
Michigan,.....	2,033	....	6,563,600	....	6,136,328	....	8,980	....	354	....	2,716,124	....	11,169,002
Mississippi,.....	947	....	1,815,820	....	1,275,771	....	8,046	....	106	....	771,528	....	2,912,068
Missouri,.....	2,923	....	8,576,607	....	12,798,351	....	14,880	....	928	....	4,692,648	....	24,324,418
New Hampshire,.....	3,211	....	18,242,114	....	12,745,466	....	14,103	....	12,989	....	6,123,876	....	23,164,503
New Jersey,.....	4,106	....	22,183,580	....	21,990,236	....	28,547	....	8,762	....	9,202,620	....	39,711,206
New York,.....	23,553	....	99,904,403	....	134,653,674	....	147,737	....	51,612	....	49,131,000	....	237,597,219
North Carolina,.....	2,587	....	7,221,745	....	4,602,501	....	10,630	....	1,704	....	1,784,604	....	8,861,025
Ohio,.....	110,622	....	29,019,538	....	34,678,019	....	47,054	....	4,437	....	13,467,156	....	62,691,279
Pennsylvania,.....	21,605	....	94,473,810	....	87,206,377	....	124,688	....	22,078	....	37,163,322	....	155,044,910
Rhode Island,.....	853	....	12,923,176	....	13,183,909	....	12,837	....	8,044	....	5,008,656	....	22,093,258
South Carolina,.....	1,429	....	6,053,265	....	2,787,534	....	5,992	....	1,074	....	1,127,712	....	7,045,477
Tennessee,.....	2,887	....	6,527,729	....	5,116,266	....	11,040	....	954	....	2,247,492	....	9,725,608
Texas,.....	309	....	539,290	....	394,642	....	1,042	....	24	....	322,368	....	1,165,538
Vermont,.....	1,849	....	5,001,377	....	4,172,552	....	6,894	....	1,551	....	2,202,468	....	8,570,920
Virginia,.....	4,740	....	18,109,143	....	18,101,131	....	25,790	....	3,320	....	5,434,476	....	29,602,507
Wisconsin,.....	1,362	....	3,382,148	....	5,414,931	....	5,798	....	291	....	1,712,496	....	9,293,068
Minnesota,.....	5	....	94,000	....	24,300	....	63	....	..	....	18,540	....	58,300
New Mexico,.....	23	....	68,300	....	110,220	....	81	....	..	....	20,772	....	249,010
Oregon,.....	52	....	843,600	....	809,560	....	285	....	..	....	388,620	....	2,236,640
Utah,.....	14	....	44,400	....	337,381	....	51	....	..	....	9,984	....	291,220
Total,.....	121,993	....	\$325,149,108	....	\$554,783,917	....	713,154	....	225,491	....	\$232,957,440	....	\$1,010,622,779

An examination of this table shows that the increased value of manufactured goods over the raw material, is \$455,844,862, or an increased value of 82 per cent. This increased value gives a return of 87 per cent. on the capital employed. Deducting the cost of raw material and the value of the labor employed, we have the net increase of the value of manufactured goods, as \$222,867,422, or a return of 42 per cent. upon the capital employed.

BANKING IN NEW ORLEANS IN 1858.

(From the Commercial Bulletin.)

It has not fallen to the part of the historian to record a year of more remarkable and extraordinary events, so far as our city is concerned, than the year now closing. The great commercial and financial crisis of 1857 must take precedent. In the midst of health, plenty and abundance, with the agricultural products of the Southwest commanding the highest prices, without intestine troubles, with overflowing granaries throughout the country with which we are connected, free from the causes that produced the revulsion of 1825 and 1837—that is, without over-trading, over-banking—without undue extravagance in our living and in our personal habits, with our crops all forwarded to market and paid for; in fine, from no other causes but fear and a financial contagion, the forgetfulness of confidence, that ever beacon light of a commercial community, a panic came, done its worst and passed off, leaving as a memento the impregnability of our banking system, the soundness of our community, and exhibiting to the commercial world the inflexibility, the solvency, and punctuality of our merchants.

The panic and revulsion attracted the attention of the President of the United States, in his message to Congress; alluded to in all the messages of the chief magistrates of each State to their respective Legislatures; called the attention of many writers of eminence, and at last a committee of the British House of Commons was appointed to examine and report on the great crisis which swept over the civilized world, and with all the various reports, writings and debates, no two reports correspond. The committees of the British Parliament called to their aid in their investigations the first accountants in the realm. The report has only just been made public, from which we take the following extract. After stating the failure in England of thirty houses, showing liabilities for forty-five millions of dollars, and assets estimated at ten millions, the committee also remark on the system of accepting:

“ Besides the failures which arose from the suspension of American remittances, another class of failures is disclosed:

“ The nature of these transactions was the system of open credits which were granted—that is, by granting to persons abroad liberty to draw upon the house in England to such an extent as had been agreed upon between them; those drafts were then negotiated upon the foreign exchanges, and found their way into England, with the understanding that they were to be provided for by maturity. They were principally provided for, not by staple commodities, but by other bills that were sent to take them up. There were no real bases in the transaction, but the whole affair was a means of raising a temporary command of capital for the convenience of the individuals concerned, merely a bare commission hanging upon it; a banker's commission was all that the houses in England got upon these transactions, with the exception of receiving the consignments, probably, of goods from certain parties, which brought a merchant's commission upon them; but they formed a very small amount in comparison with the amount of credits which were granted. One house, at the time of its suspension, was under obligations to the world to the extent of about £900,000.”

*Condition of the Banks of New Orleans on Saturday of each Week,
from the 1st of September, 1857.*

1857.	Circulation.	Deposits.	Specie.	Total Loans.	Exchange.
Sept. 5,.....	\$8,365,679	\$9,415,314	\$6,223,975	\$24,043,228	\$2,085,340
Sept. 12,.....	8,131,634	9,433,543	6,135,267	24,565,027	1,905,311
Sept. 19,.....	8,059,441	9,584,651	6,254,235	24,537,037	2,039,880
Sept. 26,.....	7,978,404	9,790,454	6,445,051	24,376,558	2,165,885
Oct. 3,.....	7,884,944	9,350,630	5,644,917	24,438,047	2,364,863
Oct. 10,.....	7,548,484	8,543,671	5,409,524	23,582,380	2,403,010
Oct. 17,.....	6,196,459	6,501,409	3,228,379	22,570,992	2,298,84
Oct. 24,.....	5,786,589	6,330,248	3,608,775	21,567,482	1,912,663
Oct. 31,.....	5,263,999	6,638,162	3,912,625	21,053,835	1,938,728
Nov. 7,.....	5,151,039	7,832,992	5,665,738	20,243,192	1,947,846
Nov. 14,.....	4,728,824	8,726,358	6,757,164	19,545,971	2,209,244
Nov. 21,.....	4,306,089	9,087,132	7,402,019	18,464,189	2,482,801
Nov. 28,.....	4,128,374	10,021,443	8,037,032	17,851,794	3,029,908
Dec. 5,.....	4,124,304	9,838,073	8,500,124	17,758,178	3,243,893
Dec. 12,.....	4,188,859	9,993,370	8,841,370	18,069,088	2,838,878
Dec. 19,.....	4,244,042	10,996,494	9,942,880	17,818,222	3,526,929
Dec. 26,.....	4,336,624	11,579,049	10,320,714	17,741,355	3,951,212
1858:					
Jan. 2,.....	4,535,951	11,948,905	10,505,183	18,149,456	4,414,632
Jan. 9,.....	4,775,539	11,703,207	10,669,711	17,876,016	4,736,842
Jan. 16,.....	4,797,616	12,323,508	10,592,617	17,876,016	5,095,711
Jan. 23,.....	4,767,816	12,573,173	10,693,330	17,535,689	5,201,368
Jan. 30,.....	4,803,071	12,678,696	10,844,746	17,655,024	5,037,902
Feb. 6,.....	5,037,906	13,282,610	11,187,898	17,395,159	5,931,789
Feb. 13,.....	5,100,916	14,368,835	11,110,763	17,730,154	6,624,651
Feb. 20,.....	5,254,181	14,640,936	11,095,597	17,846,701	7,124,477
Feb. 27,.....	5,524,269	14,494,794	11,061,832	17,940,311	7,623,757
March 6,.....	6,005,799	15,274,909	10,967,225	18,712,785	7,919,602
March 13,.....	6,299,975	15,421,499	10,978,759	18,910,607	8,220,005
March 20,.....	6,651,484	15,765,084	10,897,866	18,987,570	8,776,620
March 27,.....	7,068,240	15,792,554	10,947,636	19,290,889	8,880,791
April 3,.....	7,572,094	15,453,850	10,848,605	19,774,547	9,147,768
April 10,.....	7,693,534	15,912,945	10,962,570	19,925,509	9,221,359
April 17,.....	7,685,339	15,640,948	10,854,012	20,250,166	9,034,422
April 24,.....	7,828,399	15,589,151	10,792,455	20,115,231	9,221,299
May 1,.....	7,945,884	15,416,862	10,829,452	20,231,279	8,754,111
May 8,.....	8,033,124	15,274,311	10,615,539	19,903,807	9,159,848
May 15,.....	7,972,619	15,035,182	10,408,675	19,945,230	9,417,159
May 22,.....	7,954,829	15,096,528	10,394,638	20,260,028	9,184,271
May 29,.....	7,916,858	14,648,164	10,299,135	20,333,323	8,899,770
June 5,.....	7,965,482	14,628,613	10,257,170	20,397,811	8,779,060
June 12,.....	7,943,212	14,454,467	10,312,737	20,353,176	8,534,174
June 19,.....	7,645,844	14,714,302	10,208,900	20,437,677	8,720,257
June 26,.....	7,823,034	14,641,257	10,422,580	20,944,016	8,105,778
July 3,.....	7,969,059	15,014,883	10,678,519	21,293,609	7,902,245
July 10,.....	7,671,824	14,114,217	10,755,126	21,062,361	6,970,157
July 17,.....	7,452,104	14,078,294	10,877,768	21,138,296	6,427,930
July 24,.....	7,334,414	13,864,925	10,936,870	20,919,677	6,348,192
July 31,.....	7,231,179	13,860,161	10,992,147	21,147,311	6,105,242
Aug. 7,.....	7,335,390	13,625,443	10,825,063	21,003,261	5,844,132
Aug. 14,.....	7,024,589	13,564,756	10,912,875	21,073,748	5,263,035
Aug. 21,.....	6,860,289	13,164,958	10,806,910	21,218,642	4,652,289
Aug. 28,.....	6,731,599	13,343,338	11,173,021	21,465,648	4,081,875

BANK STATISTICS.

REPORT OF THE BOARD OF CURRENCY TO THE LEGISLATURE OF THE
STATE OF LOUISIANA, JANUARY, 1859.

[EXTRACTS.]

*To the Senate and House of Representatives, of the State of Louisiana, in
General Assembly convened :*

THE undersigned, members of the Board of Currency, beg leave to submit the following report of the condition of the Banks of this State during the year 1858.

The Bank of America has paid in \$507,800 of her nominal capital of \$1,000,000, which is an increase of \$321,990 since our report in January last. The Crescent City Bank has paid in \$1,020,300 of her nominal capital of \$1,032,000, which is an increase of \$394,385 since our last report. The Banks have regularly placed the Board of Currency in possession of their daily movements and weekly statements, and the several examinations made by the Board, of the books and vaults of the Banks, have proved the statements, without exception, to be true reports of their condition. The regular monthly reports of the condition of the Banks have been published, in accordance with law, in the State paper at Baton Rouge.

Since the last annual report of this Board, the amount of actual coin, in vault, of the several Banks, has been at all times greatly in excess of the requirements of law, and the aggregate amount of specie now held by them is more than one-half of their total cash liabilities, while their balances of foreign and domestic exchange are unusually large. This exhibit of strength seems to be accompanied with the acquirement of handsome profits, which has enabled each institution to declare handsome dividends to its shareholders, and yet further increase its reserved or surplus funds.

The Banks are compelled by law, every week to pay to, or to require to be paid by, each other, their respective balances in specie, and in order to comply with the law, they are obliged to transport from Bank to Bank, through the streets, in specie, the aggregate amount due from and to different Banks, always at more or less risk and expense; besides much time and labor is required to count the specie thus changing hands. These difficulties, and others consequent upon the present system of making the exchanges between the several Banks, have been obviated in New York by the establishment of a "Clearing House," with the object of effecting at one place the exchanges between the several Banks, and the payment, at the same place, of the balances resulting from such exchanges. The New York Clearing House is spoken of in the highest terms by those familiar with the subject, and some similar system, it has been suggested, would be of like utility here.

As this is an arrangement of obvious convenience to the Banks them-

selves, they should, and no doubt will, at an early date, voluntarily co-operate with each other to secure the advantages of that system.

By the provisions of an Act "To appoint a Secretary of the Board of Currency, and to define the duties of his office," approved March 18th, 1858, the Secretary of the Board is required to attend the sessions of the General Assembly, and to act ex-officio, as Secretary of the joint Committee on Banks and Banking of the General Assembly. This duty is inconsistent with the performance of other duties assigned the Secretary in New Orleans. We would therefore respectfully recommend the repeal of that portion of the law requiring his attendance on the General Assembly at Baton Rouge.

During the year we have had to mourn the death of the Hon. George Eustis, President of the Board of Currency. Any eulogy from us can add but little to the many well merited tributes of respect already paid by the Courts, the Press, and the People, to his memory, and to his ability as a public officer, and worth as a citizen. We cannot refrain, however, from making a record of the high estimation in which he was held by those with whom he served officially, and of the deep regret we feel, in common with his other fellow-citizens, that his worldly career has been closed in the midst of his usefulness. He was a profound jurist, an able and upright Judge, a competent and faithful officer in all the public trusts conferred upon him, and in all his relations in life, has left us an example worthy of imitation.

Respectfully submitted,

LOGAN MCKNIGHT, *President Board of Currency.* ANDREW S. HER-
RON, *Secretary of State.* R. A. HUNTER, *State Treasurer.* E. McIL-
HENNY, *Secretary.*

NEW ORLEANS.

*Comparative condition of the Banks of New Orleans for the last ten years,
on the last Saturday of August for each year.*

<i>Year.</i>	<i>Specie.</i>	<i>Circulation.</i>	<i>Deposits.</i>	<i>Loans & Discounts.</i>	<i>Exchange.</i>
1849.....	\$6,907,387	\$4,556,660	\$6,077,840	\$18,746,489	\$1,291,187
1850.....	4,801,050	4,607,508	6,515,542	15,072,890	1,495,807
1851.....	4,894,409	3,950,854	6,792,140	15,742,096	1,272,540
1852.....	6,382,840	6,770,886	8,220,000	14,568,917	1,168,607
1853.....	7,280,059	6,456,860	8,652,822	16,737,693	1,088,458
1854.....	7,595,876	6,289,014	10,160,817	18,285,110	1,923,207
1855.....	6,828,841	5,946,239	9,152,874	19,849,270	1,570,677
1856.....	6,661,698	7,442,550	10,658,795	23,512,278	2,682,029
1857.....	6,566,052	8,325,394	9,706,003	24,294,938	2,265,624
1858.....	11,178,021	6,781,599	13,848,983	21,465,648	4,081,875

The following is the law passed by the Legislature at the last session, granting to the Citizens' Bank the right to extend the bonds of the State:

An Act "to equalize the loan to mortgage stockholders of the Citizens'

Bank of Louisiana, by an extension of five hundred thousand dollars of the State Bonds due in eighteen hundred and fifty nine."

Whereas, by a petition of the mortgage stockholders of the Citizens' Bank of Louisiana, it appears that a large number thereof are deprived of the loan to which they are entitled under the several acts reviving, in full, all the rights and privileges of the original charter; now, therefore,

Be it enacted by the Senate and House of Representatives of the State of Louisiana, in General Assembly convened, That the Board of Directors of the Citizens' Bank of Louisiana be, and they are hereby authorized to extend, by indorsement or otherwise, for a period not exceeding twenty-five years, five hundred thousand dollars of the one million two hundred and twenty-five thousand dollars of bonds of the State, in favor of said bank, due on the first of February, eighteen hundred and fifty-nine, at the rate of interest which said bonds now bear; provided, that said sum of five hundred thousand dollars shall be exclusively appropriated to loans on stock to such stockholders as have not the loan to which they were entitled under the charter; said loans to be made under a new appraisalment of the property, and not to exceed, in the aggregate, the five hundred thousand dollars aforesaid, nor, on each share, the amount remaining due in eighteen hundred and fifty-nine on the stock on which the full loan was originally borrowed; and provided, further, and as an additional guarantee to the holders of said bonds, that any sum or sums which the Board of Directors may have already carried or shall hereafter carry to the credit of the "Reserve Fund" of the banking department of said Citizens' Bank of Louisiana under the compact of the 26th July, eighteen hundred and fifty-three, between the cash and mortgage stockholders, shall not be distributed until the five hundred thousand dollars of bonds, extended as aforesaid, shall have been paid and returned to the State Treasurer, at the expiration of the twenty-five years aforesaid.

APPROVED March 17th, 1858.

As the banking question is now before the Legislature of New York, it may be well to quote from the "Report of the Joint Committee of the Louisiana Legislature on banks and banking," in which the evils of small bills are clearly defined:

"Politically, the tendency of small bank notes is, undoubtedly, to drive away the precious metals from the country where they are allowed. Their comparative superiority for daily use and transportation, offers an inducement which can hardly be resisted; their intrinsic worth is lost sight of, in view of the apparent worthlessness of the material, being only a representative of value, and not a value of itself. Hence the depreciation of the precious metals, and their exportation to those countries where the science of banking is unknown, until a sudden revulsion in the public mind, causing an immediate demand for coin, enhances the value of the latter beyond its proper measure. The smaller the circulating notes the sooner will precious metals emigrate; and every citizen of Louisiana may well remember the time when, by the abundant issue of the shinplaster circulation of the former municipalities of New Orleans, gold, and even silver change of the smallest description, had almost become a rarity.

* * * * *

"In a social point of view, it is necessary that Government should guard the working classes against the impositions, losses, or even panics, to which bank paper is subjected. The mechanic who receives two dollars a day, or twelve dollars a week, must, under no circumstances, be allowed to suffer in the payment of his salary, from the consequences of a commercial crisis or fluctuation. For him the means of information are limited, and want often drives him to accept the price of his hard-earned wages in any

currency his employer may choose to give him. Should a crisis arise, however short, he is the first, nay, the only sufferer: for he cannot hold on to his paper money until the bank has resumed payment. The eager cravings of hunger, the wants of his family, urge him to part with that note at any sacrifice whatever; and the lynx-eyed shaver is not wanting in exaggerating the fears which the poor man entertains as to his ability to procure his daily bread, until finally compelled to give himself up to the mercy of the greedy and heartless speculator. As a general thing, all the loss which this class of the community may positively suffer, in case of the temporary suspension of an ultimately solvent bank, is actually incurred by him within a few days after said suspension. That time elapsed, the people are no longer interested; and it is the stock-jobber and speculator who looks forward to the eventual realization of his doubtfully acquired gain.

To guard against such evils is the sacred duty of the lawgiver; in fact, that duty to the poorer classes of society is paramount to all others in connection with banking institutions. Therefore, your committee have come to the conclusion to recommend the prohibition, by all lawful means, of the circulation of bank notes under twenty dollars."

MASSACHUSETTS.

The official Reports of the country banks of Massachusetts for February, 1859, as compared with February, 1858, show an increase, of loans \$5,500-000; specie \$430,000; deposits \$2,400,000; circulation \$4,200,000. We annex the monthly summary of these items:

<i>Date.</i>	<i>Loans.</i>	<i>Specie.</i>	<i>Deposits.</i>	<i>Circulation.</i>
Jan. 30, 1858.....	41,521,731	1,368,273	6,018,306	9,960,523
Feb. 27, 1858.....	41,556,977	1,338,547	6,195,788	9,887,107
April 3, 1858.....	41,919,954	1,449,814	6,273,299	10,572,096
May 1, 1858.....	42,552,879	1,515,324	6,904,831	12,126,174
* June 5, 1858.....	42,192,966	1,609,785	6,789,551	11,996,000
July 3, 1858.....	43,324,141	1,752,894	6,972,261	12,390,139
Aug. 31, 1858.....	44,251,840	1,890,158	7,470,629	12,868,697
Sept. 4, 1858.....	45,020,410	1,915,950	7,921,124	12,844,266
Oct. 2, 1858.....	45,874,051	2,000,404	8,118,182	13,576,518
Oct. 30, 1858.....	45,765,997	1,977,225	8,638,568	13,980,873
Dec. 4, 1858.....	45,817,604	1,872,033	8,382,493	14,043,416
Jan. 1, 1859.....	46,081,432	1,844,543	8,266,863	13,804,461
Feb. 5, 1859.....	47,088,641	1,819,124	8,563,260	14,089,445

* On and after this date the two banks at South Boston are included in the monthly statement of country banks; they were previously returned with the banks of Boston.

PRINCIPLES OF LIFE INSURANCE.

THE subject of life insurance (or assurance as termed in England) forms the text of an elaborate and valuable article in the *Edinburgh Review* for January, 1859. The reviewer takes up the subject from its first introduction in England in the year 1698, and follows its history through the speculative times of the South Sea Bubble, and the remainder of the eighteenth century; followed up by statistics as to the progress and condition of the science to this period.

Life insurance was at first looked upon with much jealousy wherever introduced; and even to this day many persons look upon it as an attempt to interfere with the ways of Providence. When the first life office was opened in England, the amount upon any one life was limited to 500 pounds sterling for a man under forty years of age, and to 300 pounds for a man between forty and sixty. At this day it is common for a person to be insured from twenty to forty thousand dollars.

The annual premiums received in the United States for life insurance are about seven millions of dollars, while in Great Britain, with a population about the same as that of the United States, the annual premiums are about twenty-five or thirty millions of dollars. The "Equitable Company," with an experience of ninety-seven years, has an accumulated fund of £6,976,000, or over thirty-four millions of dollars; a vast sum to be held in trust by any one set of men, to meet contracts that will not mature, in many cases, for fifty or sixty years hence.

The reviewer gives an exhibit of seven leading offices in England and Scotland, selecting those whose management and financial position are most favorably considered; and with these (seven in number) the annual income amounts to twelve millions of dollars—accumulated funds of 120 millions, and existing contracts amounting to fifty millions sterling. These seven companies are enumerated by the reviewer to be the following, beginning with the "Equitable," established in 1762. There are other well established but less wealthy companies, to which the reviewer does not allude:

Particulars of Seven Principal Offices, as ascertained June, 1858.

Name.	Established.	Accumulated Funds, about £	Gross Annual Income, about £	Sums Assured, about £
Equitable,	1762	6,976,000	430,000	9,580,000 (with additions.)
Scottish Widows' Fund,...	1815	3,194,000	409,178	9,000,000
Law Life,	1823	4,655,000	470,000	8,500,000
London Life,	1806	2,600,000	320,000	6,180,000
Rock,	1806	3,110,534	309,873	3,945,950
National Provident,	1835	1,500,367	275,331	6,500,000
Economic,	1823	1,695,062	241,000	6,089,534
Total,		£23,730,000	£2,454,000	£49,714,000

The experience of the English companies has taught them lessons which they were little prepared to learn; and these curious ones amongst others:

I. That, notwithstanding the salubrity of the country, its freedom from the excitement, solicitudes, nuisances, and confinement of the towns, yet the mortality, taken at all ages together, is annually less in town assurances than in those of the country.

II. That although from the experience of the government annuity office, females were always considered longer lived than males, yet the mortality amongst assured females is greater than amongst males; and

III. That the mortality in assured Irish lives is greater than either amongst town or country lives, and very nearly approaches (all ages being taken together) to within five per cent. of the Northampton table. This conclusion was drawn from 8,391 Irish male lives, and 845 female lives.

The experience of life offices in the city of New York, is to the effect, that while the local business is profitable, that of latitudes south of Maryland, is otherwise, even at the additional rates charged. The risks of life in California, New Orleans, Alabama, Georgia, Missouri, Tennessee, and other Southern States, are considered extra hazardous. The subject of life insurance is receiving increased attention throughout the United States. The accumulated funds in the hands of ten offices in and near New York are over twelve millions of dollars—a trust fund that will not be wholly disbursed for fifty or sixty years hence.

The amounts at risk at the end of the year 1858 were over 130 millions of dollars, being contracts for indemnity in more than forty thousand cases. These are from official data, and it would be desirable to have similar returns of the foreign companies doing business in this country. But these, if made at all to government, are not published for the use of those desiring life insurance. The contracts for life insurance cover such a long period of time, that it is obviously important to all insured, or about to be insured, to select such offices as have a solid reserve fund, and whose affairs are managed with a strict and consistent regard to the law of contracts, and upon acknowledged principles of the law of mortality. A recent case before our courts, where a policy held by a husband on the life of his wife was deemed to be invalid, has, we are glad to say, been settled so far as the mere technical grounds are concerned. The case will be tried on its merits, the defence being, that fraud and misrepresentation were used by the insured at the time of the application.

There are various and important considerations in the selection of a life insurance company for obtaining a policy. We hold that these are

1st. Has the company established its premiums upon a sound and unquestionable basis, so that the revenues shall always be sufficient to indemnify the policy holders?

2d. Is the company in the hands of upright and intelligent men, who, as directors or trustees, are conversant with the subject of life insurance, and who may be relied upon to maintain, with strict integrity and upon fair and equitable grounds, all contracts of the company? We make this remark, because in a recent instance where it was proposed by a London office to amalgamate with another, it was found, on strict inquiry, that the premiums and income of the office were actually insufficient to cover re-assurance of their risks; in other words, that the company was insolvent.

3d. Are the investments such as will secure an accumulation of funds to meet all engagements of the company?

The following extracts will illustrate the positions of the reviewer:

"Among the monetary institutions which in recent times have attained to a remarkable development in this country, few are worthier of attention and examination than the societies for life assurance. They are, in fact, our bankers for posterity, and as such are quite as important as ordinary banks of deposit—perhaps even more so; for we can exercise considerable vigilance over the latter, but the results of the operations of the former must be left to a period when we ourselves shall have passed away. Nor are they of inferior importance in the amounts of money dealt with, for it was computed, in 1849, that one hundred and fifty millions were assured in the English offices, and thirty-four millions in the Scottish. In all probability, the sums at present assured in the offices of the United Kingdom, amount to, if they do not exceed, two hundred millions sterling! All, therefore, that concerns the early history, the present and future prosperity, and the management, conduct, and fundamental principles of these associations, must be of moment to those who are connected with them by personal relations, and to some of the most essential interests of society. These are the topics which we propose to treat, especially adverting to some points with which the general public, and even most of the persons assured in the various offices, are commonly found to be imperfectly acquainted.

"Referring, in the first place, to the earliest history of these establishments, we discover their dawn in the Mercers' Company of London, which as long ago as 1698, settled the sum of £2,888 per annum as a security for the yearly payment of £30 during the life of any widow whose husband had, during his health, subscribed £100 to the fund. Married men, under forty, might not subscribe more than £500, or, under sixty, more than £300. But the scheme did not prosper, and in 1699 a similar institution formed, under the name of 'The Society of Assurances for Widows and Orphans,' in like manner disappeared—neither of these societies having correct data to guide and guard their operations, which, however, were extensive. Soon afterwards, however, in 1706, another society was established under the title of the 'Amicable Society,' or 'Perpetual Assurance,' and incorporated by charter; its principle is that of mutual assurance, and to the credit of its promoters it endures and flourishes to this day.

"About the same period the mania for producing institutions of assurance appears to have reigned to a considerable extent. One Charles Povey, the very next year after the establishment of the 'Amicable,' projected a company in Hatton Garden for four thousand healthy persons between the ages of six and sixty-five, under the name of 'The Proprietors of the Traders' Exchange House.' Shortly after the same Povey,—who seems to have been the prototype of modern 'getters up' of assurance offices—projected the 'Sun Fire Office,' and sold it to certain purchasers, who, under the settlement in April, 1710, constituted themselves into a company. Other companies, such as the 'The York Buildings' Company,' and 'The English Copper Company,' were formed for the purpose of assuring the lives of particular classes of persons, as members of the army and navy, clergymen, schoolmasters, &c. But the most singular of these speculative attempts were called 'little goes,' in which a number of persons combined to subscribe five shillings every alternate week, on condition of £200 being

paid to each subscriber's heirs and executors after death. In another instance, a payment of five shillings per quarter entitled the subscriber's representatives to receive £120 upon his demise; while the 'Fortunate' office undertook to promise £200 for a marriage portion to such as paid two shillings per quarter. As might be supposed, most of these attempts were unsuccessful or fraudulent; but, as a chronicler of the times observes, 'These schemes sharpened the invention of the thrifty, and almost immediately every street in London abounded with insurance offices, where policies for infants of three months' old might be obtained for short periods. From these they diverged into other ages and various descriptions of persons.'

"It appears from 'Macpherson's Annals of Commerce,' that out of above two hundred visionary schemes set on foot at the period of which we are speaking, only four existed at the time he wrote; and two of these have since perished. Curious research has discovered the names of some of the absurd schemes put forth by the fertile projectors of that age. Good and sound undertakings were hawked in Change Alley, together with companies 'for importing jackasses,' and 'fattening hogs.' Every conceivable kind of speculation was carried on under the title of 'Insurance Wagers.' Some of these establishments wagered £30 against £100 that King William the Third (who was then carrying on war with France) would not reduce the city of Namur before a given date; others wagered on the period of favor to be enjoyed by the mistresses of some foreign potentate; and wagers were actually laid on the sex of the notorious Chevalier D'Eon, as to whether he was a male, as he pretended to be, or a female, as he was reputed to be. A common stake at hazard was the duration of the lives of persons believed to be upon their deathbeds; nor was the author of 'Every Man his own Brother,' very far wrong when he declared, that the decease of persons was hastened when they saw themselves insured in the public papers at 90 per cent.

"The Equitable boasts that it has never, 'but in two instances, disputed a claim out of its numerous and vast engagements.' This is remarkable for a society that has paid away, in all forms, twenty-nine millions sterling! But other societies might speak of similar freedom from dispute. Unexpected judicial decisions, affecting life policies, sometimes occur. Such is the late decision in the Court of Common Pleas, as to the invalidity of policies in cases of death during the days of grace, that is, the seven or fourteen days allowed for the payment of the premium after the date at which it is really due. Their validity had never been questioned before—and, naturally enough, policy holders were extremely alarmed. We should not have thought that such a question would have been raised. Now, however, offices are publishing their readiness to pay claims becoming such during the days of grace, and it would be well that they should all follow the example of a certain institution which inserts this clause in its policies.

"The annals of life assurance, if made public, would reveal some remarkable instances of fraudulent assurance, and some few where there were good grounds for the darkest suspicion of murderous contrivance. The old case of Thomas Griffith Wainwright was very clear. He first heavily insured, and then destroyed the life of his sister-in-law, Helen Abercrombie. That of Palmer, the poisoner of Rugely, is too recent to require more than

an allusion ; yet it is only in the middle of 1858 that the Prince of Wales office obtained the legal cancelling of Palmer's policy for £13,000. It is to be feared that other cases have occurred, which could not be brought home to the guilty parties. Although these foul schemes are rarely attempted, yet all the offices require to be on their guard against concealment of disease and assumption of unreal health. Good medical examination of every proposer is the principal safeguard which an office can adopt ; but especially by means of provincial agencies, bad or indifferent lives are frequently accepted. Those who are familiar with the various offices know that there is a scale of strictness amongst them, and that while most of them are sufficiently guarded, there are others where the entrance is comparatively easy and the procedure brief. The ordinary rule is to decline lives which have been refused at any other office ; but we have known a man rejected one day at one office, and accepted the next day at another on the usual terms. Agents, too, are reluctant to act for an office which they consider too rigid in its judgments. The motto of every honorable company should be—No business rather than bad business ; or—Immediate rejection rather than early claims. The recent instance of the Joddrell assurance is a remarkable instance of not only the liability of an office to be deceived, but also of its deceiving others."

THE PUBLIC DEBT AND FINANCES OF FRANCE.

From the London Economist, January, 1859.

THE flattering report of the condition of the French finances presented to the Emperor some weeks ago by M. Magne, the Minister of Finance, had been looked forward to with great hopes by speculators in public securities. It had oozed out for some weeks before, as our intelligent Paris correspondent more than once remarked in his weekly communications, that the report would be very favorable,—so much so, that it could not fail to produce a good impression upon the Bourse. The report came. No one will deny that it presented a most flourishing aspect,—though its great length, its flowery language, and in some respects its obscurity, were calculated to deprive it of no small share of the effect it might otherwise have had. Intelligibility in matters of business is the first necessity :—succinctness, the next. The strong points simply, and above all clearly, stated, in financial documents, always make them most effective. To surround them with verbiage, in M. Magne's manner, is to rob them of half their force. It creates a suspicion, not unfrequently well founded, that there is something to be hid by the cloud of dust. But if there was one favorable point which that report established with tolerable clearness, it was the impression which it was calculated to produce that the income and expenditure of France had been brought to an equilibrium, and that there was no deficiency to be made good. The effect produced on the Bourse was not what had been expected. Perhaps, as the character of the report had been no secret for a fortnight before, its influence had been anticipated, as generally happens

in such cases. To use the technical phrase, the event had been "discounted."

But there was something more than this. There was a more solid reason for the depression which ensued, in place of the elation that was expected. A narrower examination of the report showed that, if the equilibrium had been gained, it had been by the aid of loans, and not altogether by revenue. This fact has naturally attracted considerable attention to the course of French finance of late years. An impression generally prevailed that it had become almost the normal state of the French Exchequer, that the expenditure exceeded the income,—that this was nothing new, though not on that account the less dangerous. The investigation, however, which has been made by the aid of official documents, leads to an exposure of facts more serious than was imagined. In the present condition of Europe, and at a time when events may lead to new loans, it is a matter of no small importance to the monetary world that the precise facts in relation to the public debts of Europe should be known.

The history of the French debt since the conclusion of the war in 1814, furnishes a very striking proof of the evils of excessive expenditure during peace. Perhaps there is no more remarkable fact in connection with the career of the first Napoleon, than that at the end of his great European wars the public debt of France amounted only to £50,646,108, the interest upon which was £2,532,304. We do not pretend to say, however, that that must be taken as the measure of the incubus left upon France at the close of those struggles as their consequence. We have seen some curious calculations which pretended to prove, that France suffered more in her industries by those wars than England did by her National Debt. But be that as it may, at the time of the restoration of the Bourbons they found a debt of only £50,646,108, and an interest to provide for amounting to £2,532,304. As soon, however, as France entered into the enjoyment of a permanent peace, the expenditure began to exceed the income. Either the power of the Chamber over the Minister must have been very imperfect, or it must have been exercised with great laxity. The Bourbons occupied the throne for sixteen years of perfect peace till 1830 :—when they fell, the public debt of France stood at £177,068,977, and the annual interest at £7,976,688. The expenditure had, therefore, exceeded the income upon an average in each of the sixteen years by the sum of £7,900,000. Louis Philippe commenced his reign with an annual charge for debt exceeding that of 1814 by no less than £5,444,384. He was said to be a strong-handed Monarch, and to have accomplished and wise Ministers. Did they benefit by the lesson which the late administration of the finances during the previous reign should have taught them? Louis Philippe remained on the throne till 1848. We have no precise account of the state of the capital of the public debt when he abdicated. But an official account gives the annual charge at the time as £9,771,488, being an increase during his reign of £1,794,800, which shows that on an average of the whole eighteen years, the expenditure must have exceeded the income by about £3,400,000 a year. The first accounts we have after the abdication of Louis Philippe, show that on the 1st January, 1851, the public debt of France stood at £213,825,492. From that time it has increased most rapidly, as the following table of the debt at the commencement of each year since that time shows :—

PUBLIC FUNDED DEBT OF FRANCE ON THE 1ST OF JANUARY IN EACH YEAR.

	Francs.	£
1851.....	5,845,687,260 (at 25f to the £)	218,825,493
1852.....	5,516,194,600	220,647,784
1853.....	5,577,504,586	223,100,180
1854.....	5,669,655,012	226,786,200
1855.....	6,082,877,852	243,315,112
1856.....	7,558,040,822	302,321,682
1857.....	8,081,992,466	321,279,696
1858.....	8,422,096,777	336,833,868

This table shows that in seven years the debt of France has increased by no less than £123,058,376, or at the rate of £17,579,768 a year. No doubt this period includes the two years of the Russian war; but even if we deduct £80,000,000 for the loans applied to that purpose, we have still a balance of increase for the period of £63,058,376, or at the annual rate of £9,008,339. The increase in the last year ending the 1st of Jan., 1858, was £15,604,232; and we are informed that for the year just concluded it will certainly not be less. On the 1st of Jan., 1855, the annual charge of the debt is stated at £9,457,708; on the 1st of Jan., 1858, it was £12,435,200—so that in three years the annual interest to be provided for increased by no less a sum in round figures than £3,000,000. We have thus the broad fact before us, that from 1814 to 1858, a period of forty-four years, of which forty-two were years of peace, and only two of war, the public debt of France increased from £50,646,108 to £336,833,868; and the annual interest to be provided by taxes from £2,532,304 to £12,435,200. It is by this means that what is called the equilibrium of income and expenditure has been attained. And when it is considered that the price of public stock depends much more upon the fact whether it is increasing, or is stationary, or is decreasing in amount, it will be easily understood why English Consols, which have been rather reduced than increased in amount during that period, should stand at 95½, while French Three per Cents. are only 68½.

It was a consideration of these facts, to which we have adverted in detail, and the knowledge that even during the last year a similar means of eking out the income had been resorted to, that interfered with the anticipated favorable reception of M. Magne's report. Since then no doubt other circumstances of a more grave character have occurred to depress still further the spirit of speculation,—and to lower the price of all classes of securities. The panic which has prevailed in Paris since the Emperor's speech to the Austrian Minister, must have proved to him that, in contemplating a war, he must consult other interests than those of an ardent army longing for employment in the field.

It may in one sense be said that we in England are not in a condition to criticise other countries upon the subject of national debts. If we consider only the question of amount, no doubt that is so. If we refer to modern management of the finances of the country, then the best test of that is the relative price of the respective securities. In another number, however, it is our intention to institute a comparison between the debt of this country and that of others—not, indeed, that we think we have any thing to boast of on this head.

NEW CANADIAN SILVER COINS OF 1858.

TWENTY CENTS.



TEN CENTS.



FIVE CENTS.



The new coins issued in England for circulation in Canada have made their appearance in that country, and some of them have crossed the border and reached our citizens. Several sets of them have been obtained by the directors of the Mint in Philadelphia, to whom frequent inquiries have been made as to their value compared with our own silver coin. In order to give information on this subject, Mr. Snowden has furnished the following statement from the assayer of the mint:—

ASSAY OFFICE, U. S. MINT, Feb. 17, 1859.

Hon. J. R. SNOWDEN, Director of the Mint, &c. :

In compliance with your request, we present the following statement in regard to the new issue of silver coins for the Canadas by the British Government. You are aware that the coins have been awaiting some previous formality of proclamation, and have just been put in circulation, consequently we have been able to obtain very few specimens; our examination will afford, however, a satisfactory conclusion as to the intended standards of weight and fineness, and will answer the question whether there is a designed conformity to the currency of the United States.

In respect to nomenclature, they have abandoned shillings and pence, and have adopted the decimal system, in accordance with which there are three silver coins of 20, 10, and 5 cents; besides copper cents, which we have not seen. The amount of coinage is said to be quite large.

First, as to weight, they do not harmonize with us; the coinage indicates a standard of 15 hundredths of an ounce (three pennyweights) for the 20 cent piece, the smaller pieces in proportion. Our half dollar, being 40 hundredths, would make 16 hundredths for 20 cents. Next, as to fineness:

they do not harmonize with us; they adhere to the British or sterling standard of 925 thousandths fine. This is a departure from the decimal system of nine-tenths, which being practically the standard in almost every country of North and South America, may be considered American. Thirdly, in respect to value, this must be stated in two ways. If it be asked what is the intrinsic value, as compared with our coins, then the 20 cent piece falls below two of our dimes by three-fourths of a cent nearly. If it be asked what will their 20 cent piece, full weight, produce at our mint, at bullion price, then it is worth $18\frac{2}{3}$ cents, nearly. It is therefore not interchangeable with our currency. But by a calculation based upon the intrinsic relations of the British coinage to our own, so as to be able to turn pence into cents, we find the 20 cent piece is regulated in its weight by the silver shilling, and is in due proportion thereto, or so nearly that the advantage of having an even number of pennyweights was taken into account.

What effect it will have upon the currency of the two countries, especially along the boundary line, to have two kinds of dimes, it is not easy to foresee.

J. R. ECKFELDT,
WM. E. DUBOIS.

NEW PUBLICATIONS.

I.—*The American Numismatical Manual of Currency or Money of the Aborigines and Colonial, State and United States Coins. With historical and descriptive notices of each coin or series.* By MONTROVILE WILSON DICKESON, M.D. One volume 4to, pp. 256. J. B. Lippincott & Co., Philadelphia. Price six dollars.

We have here a full and complete history of the coins of our country, which, commencing with the lignite, shells, wampum, &c., terminates with the present highly finished coins of our mint. It is interesting to trace the gradual progress made in the art of coining, and also to note the different devices which have been impressed from time to time upon the coins of this country. The object of the present work is to establish the origin, and faithfully describe the coins and coinage of our country, from the earliest period down to the present time. The collecting the coin necessary for presenting a perfect history of our coinage has involved much labor and expense, and Dr. Dickeson deserves the thanks of the public for the manner in which he has prepared this volume. The introduction contains a general history of coins from the earliest date to the year 1820. Part First contains data under the heads of Measures, Weight, Standard, Sterling, Coins, and Coining; Part Second is devoted to Aboriginal Coins; Part Third, to Massachusetts Currency; Part Fourth, to Colonial Coins; and Part Fifth, to the Coins of the United States Mint. There are some nineteen plates of *fac-similes* of the different coins. These plates are handsomely executed. The gold coins are represented in gilt, the silver in silver, and the copper in bronze. The volume is indeed one which will be highly prized by all who are interested in the subject to which it is devoted.

II.—*On the Probable Fall in the Value of Gold; the Commercial and social Consequences which may Ensnare, and the Measures which it invites.* By MICHAEL CHEVALIER, Member of the Institute of France, &c. Translated from the French, with Preface, by Richard Cobden, Esq. Demy octavo, price 5s. This work has not yet appeared in its present extended form, in France. The French and English editions will appear simultaneously.

MISCELLANEOUS ITEMS.

The Missouri Legislature of 1859.—The number of laws passed is unprecedented, but nearly all of them are of the most trashy and worthless description. All the really great measures of the session—every thing in which the State has a direct interest, and by which her credit is to be affected—received the go-by; and for this the democratic party will be held directly responsible. The Pacific Railroad, which almost every intelligent man in the State expected would receive aid sufficient to complete it to Kansas City, or at least to keep it going until the fall session, did not receive a dollar; and nothing was given even to ballast the North Missouri to the junction with the Hannibal and St. Joseph Road. Never were the interests of a great State so completely abandoned and set at naught. The session may, indeed, in reference to the railroads and other important interests of the State, be regarded as a *great failure*—even worse than a failure.—*Missouri Republican*.

Money by Express.—Reference has been made by the daily papers to a package of money in the hands of one of our leading express companies, which had been undermarked by the house shipping it. The question has been argued *pro* and *con.*, considerably in the street. The express companies claim full pay for carriage of all moneys intrusted to their care, and hold that a party shipping \$5,000 by express, and marking it \$4,000, and paying therefore only the carriage on \$4,000, defrauds the company of the amount of charges on \$1,000—the insurance being an entirely separate matter, done by the underwriters; seldom, if ever, by the express companies. The case in question has been settled by the admission of the brokers that they had taken a wrong view of the matter, and were willing to pay for all moneys that had been so carried by them heretofore.

The question of the liability of express carriers for more than the amount of value specified in their receipts has been decided in two or three different states in favor of the carriers; but the rights of the matter, as to undermarking a package, seem so far to remain, as we stated, an open question, dependent as yet entirely upon the views of the parties in interest, as to the right and honor involved between business men in fair transactions.

Pennsylvania Sinking Fund.—In pursuance of a recent notice given by the State Treasurer of Pennsylvania, the Commissioners of the Sinking Fund met at Harrisburg on Thursday, Dec. 16th, and opened the proposals made for the sale of five per cent. State Loans, as follows:—

No. 1.....	\$6,400 00 at.....	96½ per cent.
" 2.....	12,000 90 at.....	96½ "
" 3.....	42,202 73 at.....	95.94 "
" 4.....	2,000 00 at.....	98 "
" 5.....	67,529 78 at.....	97 "
" 6.....	14,548 96 at.....	98 "
" 7.....	100,000 00 at.....	97½ "

Subscribers to Railroad Stock.—The suit of the Lexington and Big Sandy Railroad Company against the executor of JAMES W. FRY, which has been pending in the Greenup Circuit Court for several years, has at last been decided in favor of the Railroad Company. This suit was brought by the Company to enforce the payment of about \$3,200, subscribed as stock by Mr. FRY, in 1852, to the capital stock of the Company. Subsequent to the subscription, the road, as originally located, was changed so as to strike the Ohio river bottom where Ashland is situated. This change caused a great deal of complaint among the stockholders at Catlettsburg, and many of them have refused to pay their stock in consequence thereof. In consequence of this refusal, suit was instituted against Mr. FRY and others, to enforce the payment of their subscription, and the case here referred to is the first one which has been decided.

Central Park Fund Stock.—Proposals received at the Comptroller's Office, March 11, 1859, for \$308,400 six per cent. Central Park Fund Stock, redeemable in 1887:

Name.	No. of Shares.	Rate.	Amount.	Accepted.
1.—Marie & Kanz.....	250	101.00	\$25,000	\$1,800
2.—F. S. Winston, Pres't.....	1000	100.80	100,000	.....
Do do	1000	100.80	100,000	.....
Do do	1000	101.80	100,000	100,000
3.—T. B. Satterthwaite.....	250	100.05	25,000	.....
Do do	250	100.12	25,000	.....
Do do	250	100.19	25,000	.....
Do do	250	100.26	25,000	.....
4.—Wurd & Co.....	1000	100.71	100,000	.....
Do	1000	100.81	100,000	.....
Do	500	100.91	50,000	.....
Do	500	101.01	50,000	50,000
5.—McKim & Co., Balt.....	50	101.10	5,000	5,800
6.—P. W. Engs, Pres't.....	100	par.	10,000	.....
7.—Frank Vincent.....	100	101.01	10,000	10,000
Do	100	101.50	10,000	10,000
8.—H. Von Glahn.....	20	101.50	2,000	2,000
9.—Wolfe, Dash & Fisher.....	200	101.10	20,000	20,000
10.—David Holmes.....	26	101.53	2,600	2,600
11.—J. T. & J. G. Frost & Co.....	50	101.50	5,000	5,000
12.—Meritt Trimble, Treas.....	600	101.02	60,000	60,000
13.—P. Harmony's Nephews & Co.	264	101.00	26,400	1,400
14.—E. J. Brown, Pres't	250	100.55	25,000	.....
Do do	250	100.80	25,000	.....
Do do	250	101.05	25,000	25,000
15.—Cammann & Co.....	150	101.25	15,000	15,000
16.—Hoffman & Ten Brook.....	60	101.00	6,000	300
17.—J. P. Stanton.....	70	par.	7,000	.....
Total	9798		\$979,800	\$308,400

Names of Ships.—The following is a repeal of an act repealing a former law that should never have been repealed:—

An Act to repeal an act entitled "An act authorizing the Secretary of the Treasury to change the names of vessels in certain cases, approved the fifth of March, one thousand eight hundred and fifty-six.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the act entitled "An act authorizing the Secretary of the Treasury to change the names of vessels in certain cases," approved fifth of March, one thousand eight hundred and fifty-six, be, and the same is hereby repealed.

APPROVED January 17, 1859.

If this had been the law in 1857, we should, probably, not have had the "Central America" tragedy. Every change of name hereafter must be by special act of Congress, and it would be well, perhaps, if such changes were promulgated through our daily papers.

Postage.—Efforts have been recently made in the United States Senate to advance the rate of postage from three to five cents on letters, the franking privilege to remain as it is. This is one of the most unpopular measures that have been of late suggested, and may be termed "a bill to suppress the diffusion of useful knowledge." Popular sentiment runs in favor of a postage rate less than three cents, and if many of the non-paying routes were discontinued, as they should be, two cents per letter would pay as well as three. The "Postal Reform Union" should not abate their efforts, but

insist upon the following radical changes: A uniform letter postage of two cents; double postage on all not pre-paid; free letter delivery by carriers; total abolition of franking; a return of all dead letters; Post Office money orders; cheap ocean postage.

Financial Condition of Arkansas.—"The State of Arkansas will have nothing to do with banks or bank notes. Gold and silver are her currency. During the last two years, the increase in her taxable property has been \$29,115,203; she owes but one debt, \$616,000, and that is not due before 1868; she is now building railroads; makes nearly two hundred thousand bales of cotton, and has taxable property to the amount of \$99,873,248."

The above, now going the rounds of the press, encourages the hope that Arkansas will yet see it to be both good principle and good policy to provide for the discharge of those old debts which have never been repudiated by that State, but the payment of which has been so long deferred. That there are Arkansas politicians alive to the expediency of so just, politic, and wise a measure is evinced by recent movements in her Legislature. The sooner such movements are approved by the general sentiment of her people, the better will it be for both the character and prosperity of Arkansas.

—*Missouri Republican.*

We commend this paragraph to the consideration of the legislators in Arkansas; and to the Departments at Washington, at whose instance some years ago a large amount of government funds were invested in Arkansas bonds, the interest on which is not paid.

Illinois.—In the State Senate, on the 17th February, the Finance Committee made a report in reference to the great fraud which has been perpetrated upon the State. They fully agree that the State has been defrauded of upward of \$223,000, by means of fraudulent canal checks, which had before been redeemed; that the checks were stolen from the State by some one unknown, and afterward presented by Governor Matteson and bonds issued upon them. The report gives only a very general summary of the testimony, the evidence taken by them being withheld from publication for the present. Accompanying the report was a letter from Gov. Matteson, proposing to furnish security for the repayment of the full amount of the bonds, coupons, interest, stock, and gold obtained from the State by the funding of \$107,000 paid but uncanceled "ninety day canal checks." The bonds specified, now in the hands of the Auditor, as security for the issues of the State Bank of Illinois, at Shawneetown, to remain where they are; other securities from time to time to be substituted therefor, and when such bonds are withdrawn they are to be cancelled and destroyed by the Governor of the State.

BANK ITEMS.

NEW YORK.—It is understood that the Bullion Bank will commence operation at an early day. The following gentlemen compose the first Board of Directors:—JAMES BOORMAN, JAMES BENKARD, FRANCIS BURRITT, FRANCIS COTTENET, JOHN J. CISCO, ISRAEL CORSE, JOHN A. DIX, BENJAMIN H. FIELD, JOHN T. JOHNSON, EDWARD JONES, MORRIS KETCHUM, THOMAS W. LUDLOW, MATTHEW MORGAN, SYDNEY MASON, GEORGE OPDYKE, CHRISTOPHER R. ROBERT, JOHN D. VAN BUREN.

The Bullion Bank differs in its details from other banks in these features: It will not lend or make use of any of the money of its depositors. It will not deal in exchange. It will not lend money to any director, officer, clerk, or other agent or servant of the Association; nor shall it lend money on its own stock. Every director shall be a citizen of the United States of America, and shall, at the time of his appointment, be a shareholder of the Association, to the extent of at least ten shares of \$1,000 each.

Brooklyn.—The Directors of the Atlantic Bank, Brooklyn, have offered a reward

Anti-Gambling Association.—"Bank officers have always been suspicious that their clerks might frequent gambling houses, and be protected by the curtain of *mutual concealment*. Some years since an anti-gambling association was formed for the purpose of looking behind the curtain, and it succeeded in arresting a number of young men who had not become confirmed in the vice. It engaged to give information to employers, who subscribed to its funds, of the practice of their clerks in this respect, and it proved to be a useful organization. But it died for want of patronage. The cashier of one of the largest banks in the city was informed by its agent that one of his tellers was a gambler, and the whole chain of evidence was worn out of him. Both the teller and the agent were dismissed, the "honorable" cashier refusing to give the latter a subscription to support the society which had thus in all probability saved his institution from being robbed of many thousand dollars.—*N. Y. Century*.

New York.—Atlantic, Marine, and Shoe and Leather Banks.

Albany.—Bank of the Capitol, Albany Exchange, and Merchants' Banks.

Troy.—Commercial, State, Troy City, Union, Manufacturers', Merchants and Mechanics', and Mutual Banks.

Syracuse.—The Committee of the recent Convention of Country Bankers, at Syracuse, have published the following circular report of their conference with the Metropolitan Bank:—

Metropolitan Bank:—

"The undersigned, as the committee referred to in the above resolutions, visited New York on the 17th inst., and laid the propositions therein contained before the officers of the Metropolitan Bank, by whom they were referred to the board. It is gratifying to say that the board promptly acceded to the terms embodied in the resolutions, and that we have every reason to believe that the wishes of those whom we represented, will be fully met and carried out in a liberal spirit, thus terminating existing difficulties in a satisfactory manner, and relieving the country banks from embarrassment and restraint. The new arrangement will commence on the 1st day of March, 1869, and after that day the Metropolitan Bank will receive State currency at $\frac{1}{2}$ of 1 per cent. discount, New England currency at 1-10 of 1 per cent discount, payable the day after receipt, and return State redemptions at 15 cents per \$100. These terms will also be adopted by the Albany Assorting House, and it is understood that they will be strictly adhered to by the Metropolitan Bank and the Assorting House. It is obviously for the true interest of both redeeming organizations, and of the country banks, that these rates should be uniform, and not liable to change, and in order to prevent future misunderstanding, it is requested that any deviation from them on the part of the Metropolitan Bank or of the Assorting House, be promptly reported to the undersigned, through their Chairman, E. B. Judson, of Oswego."

MAINE.—From a circular just issued by the officers of the *Portland Savings Bank* we learn the whole amount deposited since the formation of the institution—some six and a half years since—amounts to \$305,020. The amount withdrawn, during that time, is \$162,851, leaving a balance of deposits in the bank, on the first day of Jan. last, of \$142,169. The whole amount of interest earned, from July, 1852, to January 1859, is a little less than \$30,000. The average annual expenses of the institution have been, for the whole period, very nearly \$350, for the last four years, \$460. From one-quarter to one-third part of all the funds of the bank are invested in public securities. The depositors are not confined to the city of Portland. On the first of November last the aggregate amount on deposit, put in by persons living out of Portland, was more than *twenty-nine per cent.* of the whole amount of deposits. Since the first year of its operation the bank has uninterruptedly made semi-annual dividends of profits to the depositors, at the rate of six per cent. a year.

MASSACHUSETTS.—The following table exhibits the footings of the weekly returns of the Boston Banks since Jan. 1st, 1859:—

<i>Date.</i>	<i>Loans and Discounts</i>	<i>Specie in Bank.</i>	<i>Deposits.</i>	<i>Circulation.</i>
Jan. 8, 1859.....	60,069,424	8,548,934	22,357,888	6,543,134
10,.....	60,819,965	8,295,392	21,615,468	7,016,104
17,.....	60,106,793	7,981,712	21,127,712	6,798,728
24,.....	59,400,354	7,383,891	20,727,905	6,609,374
31,.....	58,992,556	7,088,736	20,598,451	6,224,187
Feb. 7,.....	59,120,142	6,814,589	20,845,520	6,514,576
14,.....	59,087,249	6,671,619	19,983,531	6,882,842
21,.....	59,099,998	6,679,740	20,082,462	6,275,458
28.....	58,636,828	6,410,586	19,469,489	6,283,959

By the establishment of the Safety Fund Bank, which went into full operation Feb. 3d, 1859, with a capital of \$600,000, the number of banks in Boston was increased to thirty-eight—having an aggregate capital of \$33,921,700.

Boston.—The Pawners' Bank.—A full and interesting report was made recently at a meeting of gentlemen interested in the movement to establish a Pawners' Bank in Boston. The report was unanimously accepted, and measures adopted to apply for a charter. The necessary notice in the public prints that a charter would be applied for has been duly given. The following named gentlemen were appointed a committee to secure the necessary legislation:—J. V. C. Smith, D. A. Simmons, Rev. Charles F. Barnard, Curtis Guild, and F. W. Sawyer. It is said that a bank of the kind above referred to has been recently started in London.

PENNSYLVANIA.—The movements of the Philadelphia Banks since November, 1857, have been as follows:

<i>1857.</i>	<i>Loans.</i>	<i>Specie.</i>	<i>Circulation.</i>	<i>Deposits.</i>
Nov. 4.....	21,199,462	2,071,464	2,141,110	15,685,788
Jan. 11, '58.....	21,302,374	8,770,701	1,011,038	11,455,268
Feb. 8.....	20,359,226	4,668,085	1,298,046	11,904,519
March 8....	20,471,166	5,147,815	1,916,352	12,253,282
April 5.....	21,657,152	9,937,597	2,647,219	13,422,813
May 8.....	22,243,824	7,027,712	2,029,617	15,589,718
June 7.....	23,542,751	6,985,208	2,406,863	15,776,256
July 5.....	24,311,928	6,635,877	2,434,181	16,556,848
Aug. 2.....	24,524,569	7,070,145	2,505,278	17,558,781
Sept. 6.....	24,988,151	6,635,866	2,520,501	17,426,770
Oct. 4.....	25,248,410	7,189,461	2,677,116	17,506,425
Nov. 1.....	25,463,417	7,581,340	2,642,004	17,890,908
Dec. 6.....	26,195,509	6,430,795	2,721,111	16,688,561
Jan. 3, 1859.....	26,451,057	6,063,856	2,741,754	17,049,005
Feb. 7.....	26,472,569	5,979,439	2,786,453	17,007,167
March 7.....	26,719,383	5,926,714	2,901,837	16,872,868
March 14.....	16,685,878	6,046,143	2,900,892	16,708,049

Philadelphia.—Last evening a large crowd assembled in the rotunda of the Merchants' Exchange to witness the sale of the Bank of Pennsylvania. The first bid was \$180,000. Mr. Thomas refused to entertain this. Mr. Samuel Smith was the next bidder at \$150,000. The next bid was \$160,000, from which it ran up to 163,000, at which figure it was taken by the Philadelphia Bank. Besides the above, some of the most valuable properties in various parts of the city were disposed of last evening, the entire proceeds, including one property by private contract, exceeding \$290,000. We may also state in this connection that Messrs. M. T. & Sons sold at noon yesterday the property of the Dauphin and Susquehanna Coal Company for \$370,000, subject to a mortgage of \$97,000, with interest, being equal to \$472,000. The whole forming the heaviest operations in real estate which have taken place in this city for many years.—*Philadelphia Inquirer, March 2.*

Banking in Pennsylvania.—The banking question was before the Senate in March, Mr. Marselis' bill having come up in order. The whole scope and object of the measure is to compel bank directors to take a more immediate interest in the affairs of their institutions. It is well known that in most of the bank failures, the directors

have been as much astonished at the catastrophe as the public, for the reason that they would not attend directly to interests of which they were the professed and responsible guardians. This bill is intended to institute a more severe scrutiny into the transactions of banks. It prohibits bank officers making loans or discounts, unless ordered by the Board of Directors; requires the Board to keep regular and full minutes of their proceedings; requires them to meet at least once in two weeks; prohibits money being expended unless appropriated by the Directors; requires the President or Cashier to present a detailed statement, under oath, of expenditures of money, at each meeting of the Board; and declares a failure to comply with these provisions a misdemeanor punishable by a fine of one thousand dollars, and in default of payment, with imprisonment for three months. Some of the more severe sections originally in the bill, were stricken out.—*Phila. Pennsylvanian*.

Free Banks.—The General Banking Law we had hoped to see enacted at this session of the Legislature has come apparently to an untimely end. This is to be regretted, as such a law is a decided improvement upon the plan of granting special charters. It would protect the public against loss in consequence of reckless speculation on the part of the banks, and give to the holders of bank bills the double security of State stocks and a paid up capital. There can be no good reason urged why a General Banking Law should not be passed, under which all new institutions of this character would be incorporated, with secured circulation, and to the provisions whereof of all existing banks would become subject when their special acts of incorporation expire.

DELAWARE.—Delaware has recently authorized the issue of notes under five dollars. It is the only State, so far as we know, that, having prohibited small notes, has gone back to the use of them.

MARYLAND.—B. A. Vickers, Esq., was, on 15th March, elected president of the Marine Bank, in place of the late Jacob Bier, Esq.

ARKANSAS.—AN ACT TO PREVENT THE PEOPLE FROM BEING DEFRAUDED WITH BANK PAPER.—SEC. 1. *Be it enacted by the General Assembly of the State of Arkansas,* That it shall not be lawful for any person or persons, from and after the fourth day of July, 1859, to put in circulation, to receive or pass, sign, countersign, or indorse any bill, bond, note, check or ticket of a less denomination than ten dollars, with an intention that the same shall pass as currency; and that no person or persons, or company, shall within this State, receive, vend, pass, or offer in payment any bank note, bill, bond, check or ticket of a denomination less than ten dollars, and intended to be used in circulation as currency, whether the same was first issued in this State or not. SEC. 2. That it shall not be lawful for any person, or persons, from and after the fourth day of July, 1860, to put in circulation, to receive or pass, sign, countersign or indorse any bill, bond, note, check, or ticket of a less denomination than twenty dollars, with an intention that the same shall pass as currency; and that no person or persons or company, shall within this State receive, vend, pass, or offer in payment any bank note, bill, bond, check or ticket of a denomination less than twenty dollars, and intended to be used in circulation as currency, whether the same was first issued in this State or not; *Provided*, that nothing herein contained shall be so construed as to prevent the circulation of negotiable paper or county scrip or warrants. SEC. 3. That a violation of any of the provisions of this act shall be a misdemeanor, punishable in any of the circuit courts of this State by presentment or indictment, and the party offending, upon conviction, shall be fined in any sum not less than fifty nor more than five hundred dollars for each and every offence, at the discretion of the jury. SEC. 4. That it shall be the duty of the several judges of the circuit courts to give this act in charge to the grand jurors at each circuit court; and that this act take effect from and after the dates respectively mentioned. Approved 8th Feb., 1859.

NORTH CAROLINA.—We perceive, that the Legislature of this State has given a new charter to the old State Bank, to be styled hereafter the Bank of North Carolina. The Old Bank has been in existence about half a century, and in all that long time we believe there has not occurred an instance of dishonesty or breach of trust on the part of one of its officers, or in any of those of its various branches or agencies; and the same may be said of the various officers of the two other banks of the State, which, at the present time, have existed now some forty or fifty years. We may add that the venerable Secretary of State died last year, after about fifty years' service, without an imputation upon his integrity. We mention these things as

reflecting honor upon the Old North State in a period of such frequent unfaithfulness and embezzlement on the part of pecuniary agents in other parts of the country.

ALABAMA.—The Southern Bank of Alabama has declared a surplus dividend of \$100,000; which is 18½ per cent. on the present capital of \$750,000.

ILLINOIS.—The *Chicago Times* says:—"Agents of Eastern capitalists are loaning freely at 10 per cent. on unencumbered and improved inside city property, interest payable semi-annually in New York city. The applications still exceed the demand, and lenders are exceedingly particular and cautious as to securities. Our country readers must not infer, however, that there is any chance here for them to borrow on the same terms. Even unimproved city property, if outside of business localities, will not be accepted on scarcely any terms. The fact, however, that best business property will command money at legal rates is significant, and shows that the money market is working decidedly easier."

IOWA.—By the statement of the State Bank of Iowa, published by order of the Board of Control, we learn that the circulation of the various branches on the 28th of February amounted to the sum of \$106,724, on a capital of \$215,550. John A. Casson, Esq., takes the place of Hoyt Sherman, and B. F. Allen, Esq., the place of P. M. Cassady, in the Board of Control. The changes took effect at the meeting of the board on the 23d of February, at which time an application for a branch at Lyons was granted; an application for a branch at Fort Madison was rejected, and an application for branches at Burlington and Washington were placed in the hands of a special committee to report at the next meeting of the board.

INDIANA.—The *Indianapolis Sentinel* publishes at length the opinion of the Supreme Court sustaining the constitutionality of the charter of the Bank of the State of Indiana. The court decides that neither of the objections which were brought to its notice was sufficient to invalidate the act of incorporation.

Indiana Currency.—Crude notions of banking have prevailed of late years in some of the Western States. The latest instance is in the Legislature of Indiana, where a bill was passed to provide a treasury system, which was returned by the Governor with his objections. He holds that the second section of the bill is unconstitutional, because it makes the notes of specie paying banks a legal tender, in violation of the Constitution of the United States. This, one would think, was sufficient in itself to show the unfitness of the bill for practical operation. Section sixteenth permits banks to redeem their notes by drafts on New York, for the payment of the interest of the State debt, which provision is in conflict with the constitution of that State, which requires banks to redeem their issues in gold or silver. Notwithstanding the veto of the governor the bill was again passed by a vote of 53 to 42.

MISSOURI.—The St. Genevieve Branch of the Merchants' Bank will go into operation immediately, the requisite subscription to its stock, \$50,000, having been made.

New Savings Institution.—The Joint Stock Bank, which has been established by a co-partnership entered into by stockholders in the State Savings Institution, which existed before the passage of the Richardson bill, went into operation in February, at St. Louis. The first board of directors—to wit, JOHN HOW, HENRY AMES, JOHN J. ROR, R. G. LOCKWOOD, and JAMES L. WATERS—continue in the management of its affairs until April next, when a new board of thirteen directors is to be appointed. About \$100,000 in new stock has been subscribed, which, together with the old stock, makes a capital of about \$600,000.

St. Joseph.—The *Western Bank of Missouri*. This Bank is located at St. Joseph, with a capital of \$1,500,000, and has four branches, respectively at Glasgow, Bloomington, Fulton, and Alexandria. We understand the requisite capital has been subscribed, and that the bank will go into operation without delay.

The bill to *license Brokers, Bankers, and Associations* for banking purposes, has become a law in Missouri. It provides that all banking associations shall publish a list of the partners of the respective concerns. In other respects the provisions of the bill have been given pretty fully.

MINNESOTA.—The Minneapolis and Cedar Valley Railroad Company has concluded an arrangement with the Auditor of State, whereby the bonds of that company are to be received for banking purposes at 95 cents. The action of the Auditor was based

on a resolution of the company waiving the decision of the Supreme Court, and accepting the ruling of the governor, viz: That the State should receive the first mortgage bonds. Pease, Chalfant & Co., of this city, have purchased of the company \$100,000 of their bonds with the intention of going into banking immediately, and their bond has been filed with the Auditor. We learn further that other responsible parties have made application for \$300,000 more. This result has been mainly brought about by the indomitable exertions of John W. North, Esq., the President of the company, who has been unceasing in his efforts to push forward the road with which he is connected, as well as to open a way for the prosecution of work on all the others.—*St. Paul Daily Times*, March 2.

MICHIGAN.—The *Detroit Daily Advertiser* publishes a letter from the Attorney-General of Michigan, addressed to the President of the State Bank, in which he defines his construction of the general banking law of that State. Its essential part is as follows:

I was not aware that the State Treasurer had informed you that my opinion was that "three-fourths only (of the stock deposited) might be issued;" and on perusing his letter to you of the 21st ult., I do not find any such intimation. He says, "the opinion of the Attorney-General is, that a bank cannot invest more than three-fourths of its capital in State stock," but not one word about your circulation being restricted to less than the amount of your stocks. Is such the ground upon which you justify the remark that my construction "annuls the law?" The statute plainly allows you to invest three-fourths of your capital in State stocks, as security for its circulating notes, but no more; and to issue a circulation only to that amount. • • The act manifestly intends to permit not more than three-fourths of the capital to be employed in mere circulation, leaving the other fourth to be used for other banking purposes.

Ohio Banks.—The Independent Banks, that receive their circulation from the Treasury Department are as follows:—Western Reserve Bank, Warren; Bank of Geauga, Painesville; Mahoning County Bank, Youngstown; City Bank, Cleveland; City Bank, Columbus; Dayton Bank, Sandusky City Bank, Commercial Bank, Cincinnati; and Franklin Bank, Zanesville. The total amount of the circulation of these Banks is \$635,967, to secure which they have deposited in the Treasury, Stocks of that State to the amount of \$645,255. Three Banks belonging to this Department have failed to redeem their bills, viz: City Bank of Cincinnati, Canal Bank of Cleveland, and Seneca County Bank. The Franklin Bank of Zanesville, always one of the safest and best Banks of the State, has given notice of its intention to surrender its franchise, and is withdrawing its notes from circulation. It had outstanding only \$9,000 on the 15th November, and these are secured by \$9,000 of Ohio 6 per cent. stocks.

Interest in Ohio.—Ohio has made a retrograde step in the repeal of the Ten Per Cent law. The repeal of this law will take effect on the 1st day of April. The interest law will then stand as of old. Legal rate six per cent., and no greater rate, can be enforced. Of course this repeal does not affect contracts made under the ten per cent. law, and those who are interested had better make the most of their time between this and April 1, in getting their old contracts renewed or new ones made, if they wish to have the benefit—if it can be called a benefit—of the ten per cent. law. The tendency of legislation throughout the Union (Ohio only excepted) is in favor of the repeal of the Usury Laws, or the adoption of such modifications as shall secure better facilities for borrowers.

The passage of the law in Ohio repealing the ten per cent. interest law, which takes effect on the first of April, has caused a more active demand for mortgage paper in Cincinnati, capitalists being anxious to make investments before the new law goes into operation. By the existing Usury Laws of Ohio, only the excess of interest is forfeited, but chartered Banks are prohibited from exceeding the legal rate, or 6 per cent.

TENNESSEE STATE BANK.—We are informed, says the *Tennessee Exchange*, that the State Bank of Tennessee and branches are redeeming the notes taken from the Rogersville branch and put in circulation with forged signatures of the officers. This is right, as the paper is genuine, and in some instances the signatures hard to detect. Persons holding these notes should have no further apprehension on that branch of the

currency question, as it is the purpose of the Bank to relieve their circulation of that embarrassment.

CANADA.—We learn that W. F. Wood, Esq., Manager of the Bank of British North America, has left Quebec, with his family, *en route* for Victoria, Vancouver Island; where a Branch of that Institution, with which he is connected, will be established under his management. Mr. Wood has been selected to enter upon a new field of commercial enterprise, where the resources of a young colony, rich in mines, fertile in soil, and favored with a climate similar to that of the South of England, have scarcely manifested themselves yet. The appointment is a highly important one, and, considering the remoteness and consequence of the station, one which could be conferred only upon an officer, high in the esteem and confidence of the central Board of Direction. It is gratifying to know that the first banking establishment opened in British Columbia will be conducted upon principles of Banking, which may be safely followed in future years, when business shall have become extended throughout the colony.—*Quebec Gazette*.

THE LONDON STOCK MARKET OF FEBRUARY.—Subjoined is a table of the stock and share fluctuations during February. The range of consols, which was $2\frac{1}{2}$ per cent. in January, has been only $1\frac{1}{4}$ per cent., and the result of the operations of the month has been a rise of a quarter per cent. In railway shares the fluctuations have been unusually moderate, but the general tendency has been towards improvement, owing to the favorable statements at most of the half-yearly meetings. On the Paris Bourse quotations, compared with those of a month back, show a decline of a quarter per cent., in addition to the fall of 5 per cent. which had then occurred:—

FLUCTUATIONS IN THE STOCK AND SHARE MARKETS DURING THE MONTH OF FEBRUARY, 1859.

	Am't per Share.	Am't Paid.	Price on 1st Feb.	Highest Price.	Lowest Price.	Present Price.
Consols.....	$95\frac{1}{4}$ to $\frac{3}{8}$	96	$94\frac{3}{4}$	$95\frac{1}{2}$ to $\frac{3}{8}$
Exchequer bills.....	86s. pm.	89s. pm.	88s. pm.	86s. pm.
RAILWAYS.						
Brighton.....	Stock	100	109	$108\frac{1}{2}$	$108\frac{1}{4}$	$109\frac{1}{2}$
Caledonian.....	86	$86\frac{1}{2}$	$83\frac{1}{2}$	$84\frac{1}{4}$
Eastern Counties.....	$60\frac{7}{8}$ x. d.	$61\frac{1}{8}$	$58\frac{3}{8}$	59
Great Northern.....	$101\frac{3}{4}$ x. d.	$102\frac{1}{4}$	101	102
Great Western.....	54 x. d.	$55\frac{7}{8}$	$58\frac{3}{4}$	$55\frac{1}{2}$
London & N. Western	$93\frac{3}{8}$ x. d.	$94\frac{1}{4}$	$92\frac{1}{4}$	$98\frac{1}{8}$
Midland.....	$99\frac{1}{2}$ x. d.	$100\frac{1}{8}$	$97\frac{7}{8}$	$99\frac{1}{4}$
Lancaster & Yorkshire	$98\frac{3}{4}$	$94\frac{1}{4}$	$92\frac{3}{8}$	$98\frac{3}{4}$
Sheffield.....	$87\frac{1}{2}$	$88\frac{1}{2}$	$86\frac{1}{2}$	$87\frac{1}{4}$
South Eastern.....	71 x. d.	$72\frac{1}{4}$	70	$71\frac{1}{2}$
South Western.....	$92\frac{3}{8}$ x. d.	$98\frac{1}{8}$	$91\frac{3}{8}$	$92\frac{1}{4}$
N. East—Berwick....	$90\frac{7}{8}$ x. d.	$91\frac{1}{2}$	$90\frac{1}{8}$	$91\frac{1}{4}$
Do. York.....	$75\frac{3}{4}$ x. d.	77	$75\frac{1}{2}$	$76\frac{1}{4}$
Northern of France...	16	All	87	$87\frac{1}{8}$	86	$86\frac{3}{4}$
East India.....	Stock	100	$102\frac{1}{4}$	$104\frac{1}{2}$	$101\frac{1}{4}$	$108\frac{3}{4}$

TURKEY.—It is stated that the statutes for the proposed Bank of Turkey are now under consideration at Constantinople, and that the undertaking will most probably be brought before the London market in about a month or two. No doubt appears to exist with regard to the required capital of £1,000,000 being immediately subscribed. One-half is to be taken at Constantinople, and the applications there have far exceeded that amount.

THE BANK OF ENGLAND NOTE.—In the new Bank of England note, a new Britannia, beautifully devised and finely engraved, is used in the place of the former vignette, and the writing on the new note is rendered "I promise to pay the bearer on demand," instead of "I promise to pay to Matthew Marshall or bearer," as heretofore. Mr. Smea, the electrician, has proposed to the Bank a system whereby sur-

face-printing from electrotype should be substituted for the plate printing, and that, with the aid of other eminent artisans, they had succeeded in bringing typography into successful operation for all the numerous forms of notes and checks required. For this purpose, the Britannia was cut in steel, and the letters produced in the best possible state of excellence attainable by the highest scientific skill.

The originals are never employed for printing, but are simply used as mould-makers, from which electrocasts are taken, by the use of the ordinary Smee's battery and precipitating trough. The bank notes by this system are printed at a steam-press, and no less than three thousand notes are printed per hour. Mr. Smee has demonstrated that the system pursued by the Bank was so perfect, that no forged note had ever escaped eventual detection. By the new system, the most perfect identity will be insured, and the public have only to pay attention to the quality of the paper and the character of the design, to protect themselves. Mr. Smee states that great importance is attached to identity; but further, he considers that the matter of inimitability should be classed with the fanciful dreams of the philosopher's stone and the elixir of life of a bygone age—the same mechanical means of production being substantially accessible to all.—*The Century*.

PRIVATE BANKERS.

VIRGINIA.—The card of Messrs. Isaacs & Taylor, of Richmond, Virginia, with their references, may be found in the advertising pages of this number.

IOWA.—The firm of Greene, Dakin & Co., Clinton, Iowa, has been dissolved, and is succeeded by that of Messrs. Dakin & Co. The company, including J. G. Graves, of Nashua, N. H., L. M. Flournoy and H. J. Olcott, of Clinton, Iowa. (*See their new Advertisement.*)

MISSOURI.—The State Savings Institution of St. Louis, Missouri, have relinquished their charter to avoid the oppressive enactments of the "Richardson's Bill," which has passed the Missouri legislature, and have organized a private co-partnership under the name of the State Savings Association, with a capital of three quarters of a million of dollars. The association will transact a general banking business as before, and in all respects succeed to the business of the State Savings Institution. (*See their new Advertisement.*)

OHIO.—The name of Messrs. Richard House & Co., at Mt. Gilead, Ohio, was accidentally omitted in the Bankers' Register for 1859, and the name of Daniel Ball & Co. erroneously inserted in their place.

PARIS.—The American banking house of Greene & Co., which suspended two years ago, at the Place St. Georges, Paris, has been re-organized under the title of Vandembrock, Bros. & Co., at No. 60 *Rue de la Chaussée d'Antin*. The members of the firm are Frederick and John Vandembrock and Charles G. Greene. The resources of Mr. John Vandembrock, the new member of the firm, and a *commandite* of a million of francs, constitute the capital of the new firm.

LONDON.—The death was announced in February of Mr. Abel Smith, the head of the large London banking firm of Smith, Payne and Smiths. Mr. Smith was in Parliament for a period of between 30 and 40 years; and during a considerable portion of the time sat for Hertfordshire, where his loss will be greatly felt. His age was 71, and he had lately retired from public life.

NEW YORK.—We understand that Mr. Thomas Charles Baring, of London, and Mr. Henry G. Chapman, (a nephew of Mr. Joshua Bates, of Baring, Brothers & Co.) became partners in the house of Ward, Campbell & Co., of this city, from Jan. 1st.

The Bank of Montreal, we learn, will establish more intimate money relations with New York, particularly in the sale of foreign exchanges, a special office being opened at No. 23 William-street, under the agency of Mr. Richard Bell, formerly of the Bank of British North America. The business is one with which Mr. Bell has long been identified in New York, and in which he will have the confidence of his dealers; independent of the large capital which will be in pledge for the promptness and integrity of his bills.

Notes on the Money Market.

NEW YORK, MARCH 26, 1859.

Exchange on London, at Sixty days' sight, 9½ a 9¼ premium.

The money market has preserved a uniform tenor throughout the month of March. There is, perhaps, a better supply of capital than before reported, and a stronger disposition is shown to invest in long paper. Loans "on call" have ranged from 4 to 5 per cent. on Government and State bonds as collaterals; and 5 to 7 per cent. for other securities. More confidence is felt in the re-establishment of business of a profitable character during the year 1859. The manufacturing system is becoming restored to the activity which prevailed two years ago, and labor is better compensated. We quote as current rates this week:

Loans on call, Government and State bonds collateral,.....	4 a 5 per cent.
Do railroad and other securities.....	5½ a 7 "
Prime business paper, single names, 4 months,.....	5½ a 6 "
Do do indorsed, 4 to 6 months,.....	5½ a 6½ "
Good commercial paper, 4 to 6 months,.....	7 a 8 "

The rates for foreign exchange have ranged a shade higher in March than in February, accompanied with large shipments of gold to Europe. We annex the comparative rates for the last week of the months of January, February, and March.

	Dec. 28.	Jan. 26.	Feb. 23.	March 23
London, 60 days, Bankers' Bills,.....	109½ a 109¾	109½ a 109¾	109½ a 109¾	109½ a 109¾
Do do Mercantile Bills,....	108½ a 109½	108½ a 109½	108½ a 109½	108½ a 109½
Do do with Bills of Lading,....	108 a 108½	107½ a 108½	107½ a 108½	107½ a 108½
Paris, 60 days' sight.....	515 a 513½	515 a 513½	513½ a 512½	512½ a 511½
Antwerp, ".....	515 a 513½	515 a 513½	513½ a 512½	512½ a 511½
Hamburg, ".....	36½ a 36¾	36½ a 36¾	36½ a ..	36½ a 36¾
Bremen, ".....	79 a 79½	79½ a 79½	79 a ..	79 a 79½
Amsterdam, ".....	41½ a 41½	41½ a 41½	41½ a ..	41½ a 41½

The condition of our foreign trade presents less favorable features than we could wish. The trade of New York for three years, is shown as follows:

Years	Exports.	Imports.	Excess of Imports.
1856,.....	\$119,000,000	\$210,000,000	\$91,000,000
1857,.....	134,800,000	236,400,000	101,600,000
1858,.....	108,000,000	178,000,000	70,000,000
1859 (8 months),.....	54,160,000	129,390,000	75,230,000

The renewed importations from Europe, on a large scale, are met by reduced values in our foreign exports, the balances thus creating a demand for gold; the exports of which, for the current year, less than three months, are over seven millions of dollars, and compared with former years are as follows (fractions omitted):

1852,.....	\$6,862,000	1856,.....	\$2,787,000
1853,.....	2,401,000	1857, ..	4,724,000
1854,.....	3,228,000	1858,.....	9,131,000
1855,.....	3,739,000	1859,.....	7,281,000

The specie reserve of our city banks is reduced from \$35,000,000 in August last, to \$25,000,000 at this date. This does not affect the rates for money; but while capital is abundant in this and other Atlantic cities, there is an obvious indisposition to invest in stocks or bonds yielding 7 to 8 per cent. per annum. Capitalists at present prefer 4 to 5 per cent. on short and available loans, while public affairs at home and abroad are unsettled, in place of permanent loans or investments yielding 7 or 8.

Consols had reached 96 in February, and the lowest quotation was 94½, the range being only 1½ per cent., whereas in January the extremes varied 2½ per cent.

The advices from Europe are not calculated to inspire much confidence as to the continuation of peace on the Continent. The English funds on the 2d inst., after some slight fluctuations, closed with comparative firmness at an advance of ½ per cent. On the 3d there was considerable steadiness, and the market closed at the same quotations as on the day previous. On the 4th the market was firmer, and consols advanced to 95½ a 95¾ for money and account, at which price they closed.

Congress adjourned on the 4th instant without authorizing any further public loan. The Treasury department is authorized to re-issue treasury notes to the extent of all that shall be redeemed. The government Six per cent. loans are firm at our quotations. The new Five per cent. loan (reimbursable in 1874,) has advanced from 102½ to 104½, with more buyers than sellers. State loans are generally quite firm with a steady demand for investment. We annex the current value at the close of each week since January :

	Feb. 4th.	11th.	18th.	25th.	Mar. 4th.	11th.	18th.	25th.
U. S. 6 per cents. 1867-8.....	108½	108½	108½	108½	108½	109½	109	108½
U. S. 5 per cents. 1874.....	102½	102½	102½	102½	103½	103½	104	104½
Ohio 6 per cents. 1886.....	107½	107	107	107½	109	..	108	108
Kentucky 6 per cents.....	104	104	103	103	104½	104½	104	104
Indiana 5 per cents.....	93	93	90	91	90	91	91½	90
Pennsylvania 5 per cents.....	93½	92½	92½	93	92	92	93	92½
Virginia 6 per cents.....	96	96½	97	96½	96½	98½	97½	98
Georgia 6 per cents.....	100	100	100	100	100	100	100	101
California 7 per cents. 1877,....	84½	84½	84	84	84½	84½	81	80
North Carolina 6 per cents.....	98	98	97½	98	98½	98½	99	99
Missouri 6 per cents.....	84	84½	84½	85	85½	85½	85½	86
Louisiana 6 per cents.....	93½	93	93	93	93	94	93	96
Tennessee 6 per cents.....	89½	89½	89½	89½	90½	91½	90½	91½

The finances of California have been so badly managed and her creditors have been so often disappointed or delayed in the payment of coupons, that less disposition is shown to invest in the bonds of that State. Virginia Six per cents. are held at 98 a 99; Missouri Sixes are selling largely at 86, a decline on the values of January last; Iowa Seven per cents. are held at 107; Minnesota coupon bonds, 104 a 106; Michigan Six per cents., 102; Illinois Six per cents., 106.

Railroad Shares.—The market for railroad shares is in a worse condition than last year. The business of the past six months has not equalled the expectations of shareholders; hence a marked decline in the current values of the shares upon the market. The New York Central having paid a dividend of 4 per cent. this year, has in reality fallen only ½ per cent. since the 1st of January; Erie has declined 6 a 7; Harlem, 2; Reading, 5; Hudson River, 3; Milwaukee and Mississippi, 4½; Illinois Central, 3. We annex the values at the close of the past eight weeks:

	Feb. 4th.	11th.	18th.	25th.	Mar. 4th.	11th.	18th.	25th.
N. Y. Central R. R. shares.....	82½	78½	78½	79½	81½	80½	79½	79
N. Y. and Erie R. R. shares....	13½	13½	12½	12½	12½	11	11	10½
Harlem R. R. shares.....	13	13½	13	13	13	12½	11½	12
Reading R. R. Shares.....	48½	47½	50½	49½	49½	49½	49	49½
Hudson River R. R. shares, p....	32½	32½	31½	32½	31½	32	31½	31½
Michigan Central R. R. shares..	50	50	50½	51½	53½	52½	51½	51½
Michigan Southern R. R. shares,	18½	18½	17½	18½	18½	16½	13½	13½
Panama R. R. shares.....	114½	116½	115½	116	117½	117	117½	117
Baltimore & Ohio R. R. shares,	56½	59½	56½	59½	62½	59½	59½	58½
Illinois Central R. R. shares....	66½	66½	68	68½	69½	69	25½	24½
Cleveland and Toledo R. R....	30½	31	31	30	29½	27½	25½	24½
Chicago and Rock Island R. R.	59½	60½	61½	61½	62	60½	59½	58½
Milwaukee and Miss. R. R.....	12½	13½	18	12½	12½	11½	8½	8
Galena & Chicago R. R. shares,	68½	68½	68½	69½	71	70½	68½	68

Cleveland, Columbus and Cincinnati R. R. shares are quoted 93½ buyers, 94½ sellers; Long Island, 22 a 23; New Jersey, 132 a 135; Harlem Preferred, 39 a 39½; Pennsylvania Central, 66 a 67; Macon and Western, 91 a 93; Little Miami, 68 a 90: sales of La Crosse and Milwaukee have been made at ½ a ¾, but the quotations show an utter loss of confidence in the management.

Railroad Bonds, &c.—Erie R. R. bonds have become heavy. The bonded indebtedness of the company is considered too heavy to entitle its shares to any value, while the third and fourth mortgages and convertibles are at reduced values. The first mortgages (seven per cents.) are quoted at 95½ a 97; fourth mortgages, 57 a 58; Hudson River second mortgages are held at 93½ a 94; third mortgages, 74½ a 75; convertibles, 70½ a 72. We annex the current values for the past eight weeks:

	Feb. 4th.	11th.	18th.	25th.	Mar. 4th.	11th.	18th.	25th.
Erie Railroad 7's, 1859.....	87	87	87	87	83½	84	84	85
Erie bonds, '75.....	43½	44	40	38½	39	36½	36½	36
Erie Convertibles, 1871.....	40	40	40	35½	36	34	33	32
Hudson River R. R. 1st mort...	101	101	101½	101	101½	102	102	102
Panama Railroad bonds.....	115	115	114½	115	115	117	117	117
Illinois Central 7's	87	88½	89½	88½	89½	90½	90½	90½
New York Central 6's.....	91½	92	92	91½	91½	92	92	92½
Canton Co. shares.....	20	20½	20½	19½	20½	20	19½	19½
Pennsylvania Coal Co.,.....	82½	81½	80½	81	81½	80½	81	80½
Cumberland Coal Co.....	21	20½	24½	24½	24½	23½	23½	23½
Del. and Hudson Canal Co.....	99½	99½	99½	99½	99	98½	98½	100½
La Crosse Land Grant bonds...	22½	24	23	22½	21½	18	16½	19½
Pacific Mail Steamship Co.....	77½	74½	78½	78	77	77	77½	78

Erie Convertibles are selling at 33; Chicago and Rock Island First Mortgages are quoted 94 a 96; Galena and Chicago, 94 a 95; New York and Harlem, 93½ a 94; Michigan Central, 97 a 98; La Crosse and Milwaukee, 70 a 75; Reading, 91 a 92; New York Central Sevens, 102½ a 103.

City securities are also heavy; public confidence is abated in the management of city finances. They should bear a premium instead of a discount if faithfully controlled. The following are the current values of city loans:

Name.	Per cent.	Price.	Name.	Per cent.	Price.
New York, 1860.....	5	97½ a —	Louisville, Railroad,....	6	72 a 73
New York, 1875.....	5	92 a 93	Louisville, 1887.....	6	81 a 82
New York, 1890,	5	90 a 93	St. Louis Municipal,.....	6	86½ a 87½
Albany, 1871-81,	6	100 a 101	Chicago,.....	6	85 a 86
Brooklyn "Water Loan,"...	6	101½ a 102	Chicago,.....	7	97 a 99
Philadelphia,	6	99½ a 99½	Memphis,.....	6	65 a —
Rochester Coupon,.....	6	— a 99	Memphis Guaranteed,.....	6	78½ a 80
Baltimore Coupon,.....	6	99½ a 100	New Orleans "Municipal,"...	6	87 a 90
Cincinnati Municipal,.....	6	90 a 95	New Orleans, Railroad,.....	6	72½ a 77½
Cleveland,.....	7	101 a 103	San Francisco,.....	10	89 a 90

The annexed table shows the changes for the present month in the banking movements of the city, compared with the first week of each month in 1858 [fractions omitted] :

1858.	Loans.	Circulation.	Deposits.	Sub-Treasury.	Bank Specie.	Total Specie.
Jan. 2,	\$98,549,000	\$6,490,000	\$78,635,000	\$3,259,000	\$28,561,000	\$31,820,000
Feb. 6,	103,602,900	6,873,000	86,000,000	3,168,700	30,652,900	33,821,600
Mar. 6,	105,021,000	6,854,000	90,382,000	2,996,700	32,739,700	35,736,400
April 3,	110,588,000	7,332,000	93,589,000	5,548,000	31,530,000	37,078,000
May 1,	111,868,000	7,431,000	96,438,000	3,145,400	35,064,200	38,209,600
June 5,	116,424,000	7,548,000	101,489,000	5,263,300	32,790,300	38,053,600
July 3,	119,812,000	7,458,000	106,803,000	5,820,000	33,830,200	39,650,200
Aug. 7,	120,892,000	7,784,000	107,454,000	5,553,000	35,145,000	40,698,000
Sept. 4,	125,885,000	7,748,000	103,347,000	13,077,000	28,848,000	41,125,000
Oct. 2,	123,639,000	7,875,000	104,901,000	11,100,600	28,533,000	39,633,700
Nov. 6,	126,809,000	8,186,000	109,217,400	8,256,000	26,337,300	34,593,300
Dec. 4,	126,338,000	7,837,000	89,541,000	6,345,500	27,407,700	33,753,200
1859,						
Jan. 8,	128,538,000	7,930,000	92,826,000	4,202,200	28,399,800	32,602,000
Feb. 5,	130,442,000	7,950,000	91,965,000	8,103,000	25,991,000	34,095,000
Mar. 5,	125,221,000	8,071,000	88,400,000	7,145,900	26,799,900	33,915,800
Mar. 12,	126,205,000	8,100,000	86,188,000	8,677,300	25,530,000	34,207,300
Mar. 19,	127,587,000	7,996,000	86,441,000	9,046,700	25,043,100	34,089,800

Value of Imports at New York and Duties Received at the New York Custom House, for Eight Months of the Fiscal Year, 1857, 1858, 1859.

	IMPORTS.			DUTIES RECEIVED.		
	1856-7.	1857-8.	1858-9.	1856-7.	1857-8.	1858-9.
July,.....	\$25,716,332	\$35,800,206	\$18,505,747	\$5,441,544	\$6,987,020	\$3,387,805
August,.....	23,919,665	20,016,498	19,624,176	5,284,118	3,946,830	3,545,113
September,.....	15,309,362	16,847,360	15,473,295	3,732,199	2,249,983	2,672,936
Total 1st quarter,...	64,945,359	72,664,064	53,603,218	14,427,861	13,183,833	9,605,859
October,.....	13,825,592	14,439,867	13,542,984	3,391,231	867,535	2,054,834
November,.....	14,468,545	13,417,960	10,591,606	2,774,844	1,121,793	1,706,525
December,.....	12,015,244	8,196,811	13,344,625	2,381,970	1,172,393	2,020,886
Total 2d quarter,...	40,309,381	36,054,638	37,489,215	8,558,045	3,161,721	5,782,255
January,.....	19,006,732	8,105,719	19,447,962	4,537,378	1,641,475	3,478,471
February,.....	25,524,358	9,209,046	12,848,370	5,117,250	2,063,785	3,328,689
Total 8 months,....	\$149,785,930	\$126,033,467	\$129,328,765	\$32,640,634	\$20,030,814	\$22,194,774

The following is a summary of the English money market at the close of February, of 1858-1859 :

	1856.	1857.	1858.	1859.
Circulation, Bank of England,.....	£19,254,000	£19,341,000	£20,330,000	£21,028,000
Public deposits, Bank of England,.....	4,141,000	7,455,000	5,102,000	7,819,000
Other deposits, Bank of England,.....	14,762,000	9,294,000	15,496,000	14,617,000
Government securities, Bank of England,.	11,946,000	11,530,000	9,906,000	10,696,000
Other securities, Bank of England,.....	19,185,000	17,755,000	17,164,000	11,256,000
Reserves of notes and coin, Bk. of England.	6,508,000	6,264,000	12,644,000	14,089,000
Coin and bullion, Bank of England,.....	10,575,000	10,404,000	17,623,000	19,932,000
Bank rate of discount,.....	6 & 7 per cent.	6 per cent.	3 per cent.	2½ per cent.
Price of consols,.....	91 7-8	94	97 4-4	95 1-4.
Average price of wheat,.....	69s. 2d.	55s. 10d.	44s. 6d.	40s. 10d.
Exchange on Paris (short),.....	fr.25.45	fr.25.25	fr.25 10	fr.25.15
" Amsterdam, ditto,.....	11.19	11.15	11.14	11 15½
" Hamburg (3 months),.....	13.11½	13 8	13.5	13.6

According to letters received in London from most parts of the Continent, the feeling of distrust in commercial circles has experienced no mitigation. There is at every point an increasing desire to bring all business transactions within the narrowest possible limits. At Paris the circulation of rumors and incessant issue of pamphlets seem designed, in the absence of any possibility of free discussion, to prevent the public from settling to their legitimate pursuits, and the private advices from well-informed persons convey nothing of a re-assuring character as to the opinions entertained of the emperor's designs.

DEATHS.

AT NEW ORLEANS, Friday, February 25th, JAMES S. WATSON, Esq., President of the Southern Bank of St. Louis from its incorporation in March, 1857.

AT BALTIMORE, Md., Sunday, March 6th, JACOB BIER, Esq., in the seventy-eighth year of his age, for fifty-six years a bank officer. In 1810 he was appointed cashier of the Marine Bank, and in 1835 became its President, an office which he held until his death.

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No. 11.

NEW VIEWS OF THE CURRENCY QUESTION.

By C. H. CARROLL, OF BOSTON.

THE currency of this country, as I stated in your March number, (pp. 673, 677,) is approximately two-thirds debt and one-third money; the proportion of debt being greater than in any other convertible currency in the world. A very large portion of the circulation is below the denomination of five dollars; one pound notes being the lowest known elsewhere, and these only in Ireland and in Scotland. This description of currency is co-existent with the Bank of England, and, with the bank itself, appears to have arisen from a public exigency. During the reign of the Stuarts the public finances were in continual disorder: their rapacity and extravagance, coupled with the absolute needs of the government, were the chief causes of the political complications that cost the monarch Charles I. his throne and his life. On the Protestant accession of William III. the financial difficulties were at their height. At the same time the war with France required large sums of money, which were raised with extreme difficulty and at great sacrifice; frequently the parliamentary grants yielded to the national exchequer but half their amount, owing to the necessity of anticipating the taxes and to the bad credit of the government. Tallies—notched sticks—then the vouchers of the public debt, were at 20, 30, and sometimes 40 per cent. discount. Commissions and various extortions of the goldsmiths, who were the bankers of the kingdom, and of the tax-gatherers, completed the reduction.

In this emergency a Scotchman—William Patterson—devised the

scheme of raising money for the support of the war by taking it from the currency and the country, and putting debt in its place, through the instrumentality of a chartered bank. For this purpose, and on this plan, the Bank of England was chartered and went into operation in 1694. The subscribed capital was £1,200,000, all to be loaned to the government for an annuity of £100,000 per annum, being 8 per cent. for interest, and £4,000 for expense of management. 6 per cent., or £72,000, of the capital was called in, and then the whole sum of £1,200,000, was *paid in* to the government exchequer, but how? Simply by making and passing to the exchequer, in the form of bank notes, promises to pay money the bank did not possess, in exchange for exchequer tallies—promises to pay money the government did not possess, nor ever have possessed to this day, for it was the commencement of the present oppressive and irredeemable national debt.

This, stripped of all its complications, is the principle of convertible debt banking; it is borrowing evidences of debt without interest, and lending counter evidences of debt at interest. In its origin, as here stated, it is plainly seen; but when complicated with deposits, absolute and fictitious—with the circulating notes and coin, and the intertwining of debt through the whole system, the public mind is thoroughly befogged with it. Nothing is created by this operation but debt—no capital, value, or wealth whatever—but *price* is added to commodities thereby as effectually as if so much gold had been produced or earned by labor and added to the currency, and multiplied obligations of debt succeed—promises to pay value that never existed, and which consequently cannot be ultimately paid. If the subscribers to the stock of the bank had paid in the £1,200,000, loaned, it would have been all right; a *value* in that portion of the currency would simply have been transferred; it would have added nothing to the currency—nothing to prices—nothing to the pecuniary obligations of the people. But as it was, the system was then inaugurated of adding convertible debt to the currency which should be money, degrading its value, expelling the money, limiting the exports of merchandise, and transacting the business of the country with debt.

There is a discrepancy in the early accounts, regarding the proportion of money paid in to the capital stock of the bank; Francis, in his history of the bank, unaccountably stating it to have been twenty-five per cent., when he might and ought to have had access to a pamphlet published in 1695, by Michael Godfrey, the Deputy Governor, in which the amount is distinctly put down at £72,000. Godfrey says,—“Some find fault with the bank because they have not taken in the whole £1,200,000 which was subscribed, for they called in but £72,000, which is more than they now have occasion for. But, however, they have paid into the exchequer the whole £1,200,000 before the time appointed by act of Parliament, and the less money they have taken in to do it with so much the more they have served the public, for the rest is left to circulate in trade, to be lent on land, or otherwise to be disposed of for the nation's service.”

This ridiculous sophistry lies at the foundation of the prevailing system of banking to-day. Here were men, by calling themselves and being called a “bank,” taking a clear interest of 8 per cent. per annum on their own “bills payable”—the expense of management being otherwise provided for,—6 per cent. only of money being used in the business.

That the sum paid down was no more, is obvious from the following account presented by the governor and directors of the bank at the bar of the House of Commons on the 4th December, 1696 :

DEBTOR.	£.	s.	d.
To sundry persons for sealed bank bills standing out.....	888,800	0	0
To sundry persons on notes for running cash.....	764,196	10	6
To moneys borrowed in Holland.....	800,000	0	0
To interest due on bank bills standing out.....	17,876	0	0
To balance.....	125,315	2	11
Total.....	£2,101,187	18	5
CREDITOR.			
By tallies in several parliamentary funds.....	£1,784,576	16	5
By one half year's deficit of fund of £100 per annum.....	50,000	0	0
By mortgages, pawns and securities.....	280,946	15	2
By cash.....	85,664	1	10
Total.....	£2,101,187	18	5

Mr. Lawson, in his history of the bank, remarks that the item of £35,064 was all the cash the bank had on hand to pay their notes amounting to £1,657,996 10s. 6d. The truth is, the bank was in a state of suspension in 1696, on account of this preposterous expansion of liabilities and the recoinage of silver then taking place, which temporarily removed so much coin from circulation, that, with the amount forwarded to maintain the war in Belgium, they could not pay their notes. It is evident that 25 per cent.—£300,000 of the capital was not paid down as stated by Francis; if it had been, every reader acquainted with accounts will see that it would appear in the balance of the above account, which, including the capital, is but £125,315 2s. 11d., just enough to cover the £72,000 and its gains.

The Bank was making large gains; it was receiving 8 per cent. per annum over expenses on a capital not paid up, and then a further sum, not stated, on the loan of its notes.* It had paid two yearly dividends of 8 per cent. each, and accumulated in two years £53,315 2s. 11d. beyond the £72,000 of capital called in. It appears from the foregoing account that the Bank had made an arrangement to pay interest on a portion of its notes, probably at the rate of 4 per cent. per annum. D'Avenant, a writer of that day, makes it a subject of complaint. He says: "It would be for the general good of trade if the Bank were restrained from allowing interest on running cash; for the ease of having 3 or 4 per cent. without trouble, must be a continual bar to industry." He does not observe the distinction stated in the balance sheet between the running cash and the sealed bills: doubtless interest was allowed on the sealed bills only. It will be observed that the interest due of £17,876, as stated in the balance sheet, is precisely 2 per cent. on £893,800, the amount of the sealed bills; being 6 months' interest without doubt. The tallies bore interest at the rate of 8 per cent. per annum. Altogether this must have been a pleasant business for the

* McCulloch says:—"The Bank discounted private bills at 5 per cent., during nearly the whole period from her establishment till 1824, when the rate was reduced to 4 per cent."

The credit of the government was at first inferior to that of individuals.

stockholders. Their £72,000 invested in 1694 had earned them in two years, clear of expenses :

Two dividends of 8 per cent. each,.....	£192,000 0 0
Surplus profits undivided,.....	58,315 2 11
	£245,315 2 11

A very handsome return, certainly, for the investment of only £72,000. The holders of the bank notes were taxed this sum without knowing it, and the notes handed in to the exchequer were exchanged for coin that was sent to Namur in Belgium, for the prosecution of the siege of that place, the success of which was attributed to the remittances thus obtained. A sum of money was thus drawn, under a disguise, from the pockets of the people, which they would hardly have paid as a direct tax, and the nation was drained of so much real capital by the substitution of a fiction of capital in its place.

It would exceed the limits and design of this article to pursue further the elaborate history of the Bank of England. I merely present these early figures of the institution to show the distinction between the inconvertible currency previously existing, as described in my former communication, and the convertible currency created by the Bank, and used as equivalent to money, in their relative effects upon commerce and wealth. The former cannot long retain the power of money, if the smallest fraction in excess of the true specie measure of currency is created thereby. It soon falls below par, and, although it may be employed as a medium of exchange at a reduced valuation, does not degrade the value of money, because it comes to be valued in money like any other debt or public stock. The Bank of England notes, during the suspension of specie payment at the recoinage of silver in 1696, fell to 20 per cent. below par, and again during the long suspension from 1797 to 1821, they were below par a great part of the time, being an organized circulating debt valued, according to its utility and scarcity, in gold and silver. The three per cent. consols of England could be employed as a circulating debt in buying and selling at 5 per cent. below par to-day, perhaps, but they could not be money or currency—themselves the measure of price—without immediately exhausting the coin and bullion of England. No doctrine of Political Economy is better established than that of Adam Smith, that no community having an open commerce can maintain a volume of currency, in relation to commodities, exceeding that of any other community accessible to a direct or indirect trade. It follows that if the public stocks of England were available, or used, as currency, amounting as they do to nearly four times the currency of the kingdom, all the coin would be exported or retreat into hoards, and the stocks would fall to about one-fourth of their nominal value. In truth, therefore, inconvertible paper *promises to pay*, unless the whole volume of currency of which they form a part, is less than the relative proportion of specie to commodities existing elsewhere, do not act as money or currency, but when they do not cause the currency to exceed that volume they do so act. Thus there was a considerable period during the suspension of the Bank of England, between 1797 and 1821, when, the issues of both notes and credits being carefully restricted, its notes were at par with gold and silver, but the moment the specie measure

was exceeded by those issues they fell, and the curious position was taken by many intelligent writers, that the trouble was in the rise of bullion and not in the fall of bank notes. This also explains the condition of the debt currency of New York at and after the suspension of specie payments in October 1857. By the previous severe contraction, the whole volume of currency was reduced below the true specie measure in proportion to commodities, consequently its value was maintained at par; specie rushed to New York, as the creditor city of the country, from all directions, along with our domestic products, which were abundant all over the country, and were exported to Europe in double the quantity sent forward in the same period of time the previous year, notwithstanding the abundant crops there. Exchange ruled for a time 8 to 10 per cent. in our favor, and gold commenced to return rapidly from Europe, but all this did not suit the dividends of the banks; they immediately ran up their loans, checked the export of commodities, piled up the flour and other products till the warehouses of the city broke down under the weight, turned the rate of exchange against us—of course stopped the inflowing of gold, and turned the stream outward again. So we returned to our old folly of selling our money, keeping our merchandise, and living in debt.

Now, this is the distinction between the two sorts of currency we are considering. An inconvertible debt currency may be used, like a convertible one, to the limit of the specie measure without degrading the value of money, and without checking the export of commodities or causing the export of specie; but when increased it will reduce its own value, or price, just in the proportion that the whole currency exceeds the true specie volume. On the contrary, the convertible currency, by being equivalent in use to gold, degrades and expels specie by adding itself to, and exceeding the specie measure at once. It adds itself to the price of things, checks the exports, attracts the imports, and causes an absolute loss of its whole amount to the country or community that employs it. The inconvertible currency only degrades itself, while the convertible degrades the value of gold and silver until it displaces them, and occupies their place.

It is owing to the prevailing and fallacious notion that money is a measure of value, fixed and absolute, that its degradation is not perceived, but when the power of money to purchase commodities declines, by reason of the increase in the volume of currency offered in exchange for them, it is the value of the money that falls, and the *price* not the *value* of commodities that rises. We continually waste our gold by not comprehending this operation of the law of value. I have demonstrated this in your pages before, but the subject is so important that the demonstration will bear repetition.

Let us suppose that the United States possess an exclusively metallic currency amounting to five hundred millions of dollars, and adopt one commodity as the representative of all the others—wheat for example. With this volume of currency wheat is saleable for export we will suppose at \$1 per bushel, that being the exporter's limit, because at the same or a trifling higher price he can buy it in the ports of the Baltic or Black Sea. Now, if we go into the debt banking business, and by exchanging notes and credits with the banks, add one hundred millions of convertible dollars to the currency, without increasing the supply of commodities, we shall infallibly stop the export of wheat by raising its price in the ratio of the increased

currency, i. e. 20 per cent.; wheat will be \$1 20 per bushel. We must pay for the imports, and, as wheat can no longer be shipped, the exporter will ship \$1 20 of gold instead, with which he will buy in the Baltic 20 per cent more of wheat than he can buy here with the same sum of money. The 20 cents of currency thus added to the price of the bushel of wheat is not *value*, for no property was created with or by the additional currency; it is *price*—a mere fiction of value; but it is no fiction in its effect upon gold; it is a depreciation of its value, and what we have done is to sell \$1 20 of gold for the value of \$1; for one dollar is the true value of the bushel of wheat left in its place. This operation will continue upon the average of commodities, some of which, like cotton, owing to our natural advantages, may still be exported, but lessening in degree until one hundred millions of gold is expelled, and the one hundred millions of bank debt fixed in the place of the gold, when the volume of currency will stand in amount as before, but different in character, four hundred millions being *money* and one hundred millions *debt*, and prices return to their normal position. Then, the demand for gold to export having stopped, and merchandise furnishing our means of paying debts abroad, the banks, by the law of their existence, must inflate again; they can make dividends only by lending their debt; they add another one hundred millions of debt to the currency, which again adds *price* without *value* to commodities accordingly, stops the export of merchandise to the amount of one hundred millions of dollars, increases the import of commodities attracted by our high prices, many of which come in competition with our home labor, expels another one hundred millions of specie; and, after the usual fall of prices, revulsion and bankruptcy, we fall back again upon the natural volume of currency, now still more unnaturally constructed of three hundred millions of money and two hundred millions of debt. This operation, stimulated by the competition of the banks for dividends, will be repeated as money is earned and brought into the country, until it is restricted to the narrowest limit that will maintain specie payments. This limit depends upon no law, but so much upon the uncertain forbearance of creditors, that it can never be accurately determined and guarded against in advance; it is continually being exceeded by individual banks and they break: three times it has been so generally exceeded by all the banks in the country, as to cause a general suspension of payment, namely, in 1814, '37 and '57. In 1837 the average of specie to their immediate liabilities held by the banks was as nearly as can be ascertained \$13 70 to the \$100, and in 1857, \$13 60 to \$100; yet in New England, so great is the preference for debt and the competition of the banks in organizing it into currency, they frequently hold but 10 per cent. of money to their demand liabilities on the average, and in Rhode Island alone sometimes only 4½ per cent.

But there is still a large amount of specie in the country beyond the reach of the banks, and yet within the limits of the currency; that is, not in hoards. I think this rarely amounts to less than one-third of the total currency of the country. No doubt this is the more sluggish portion, the most active part of this being where it is least suspected, namely, in the reserve of the banks, where its ownership circulates rapidly without the removal of the coin itself: from this it varies to the slow moving stocking deposit of the Dutch farmer and the uncertain confines of the hoard.

In the argument I now have to offer upon the most destructive principle of our mixed currency, I propose to assume this money portion of it to be one-third, not inferior in activity to the debt portion of two-thirds. We had in 1857 four hundred millions of bank circulation and inscribed credits, and two hundred millions of money, making altogether six hundred millions of currency in the whole country, and we shall soon have the same amount again.

Every one knows that the money of every nation constitutes but a small portion of their property; the currency, however constituted, is always the same in volume, permanently, as the circulating volume of money would be if the currency were all specie. The proportion of currency to the whole property of this country and of most commercial countries, is and must be approximately as 1 to 25. I consider this ratio so well determined by natural laws, that if I would estimate the whole amount of the property of the United States I would rather know the sum of the currency, and multiply it by 25, than to have the most elaborate statistics otherwise prepared. But Secretary Guthrie's estimate in 1855 confirms this ratio. With great labor he collected statistics from all parts of the country, and concluded that the whole property of the country then amounted to \$11,317,611,000. This is nearly the sum of the currency of that year multiplied by 25; but the estimate is a little too low, as Mr. Guthrie thought himself.

On this ratio, the volume of our currency being six hundred millions, the whole property of the country in and out of market amounts to fifteen thousand millions of dollars. Of this about two-fifths is constantly offered for sale, or, in the language of political economy, "in circulation," to be exchanged against the whole sum of currency. The relative activity of currency and property is therefore as 10 to 1, every dollar of currency performing the average circulation of ten dollars of property; thus we have on the average six thousand millions of property constantly in circulation reciprocal with the currency. It is perfectly obvious that the two hundred millions of money circulates, or may circulate, the average amount of two thousand millions of property without debt, and its function being thus employed, the other four thousand millions of property must be circulated through the medium of the four hundred millions of bank debt. However these two portions of the currency may mingle in their operations, it is quite certain that the average effect must be to distribute two thousand millions of property in sales for cash, and four thousand millions in sales on credit, and that four thousand millions of dollars in obligations of debt must exist, depending for the means of discharge upon the wholeness of the four hundred millions of debt currency, that can only be maintained by continual renewals of debt and discount. Now it is utterly impossible to maintain the integrity of this portion of the currency; it will expand with the forbearance of creditors to demand specie to the utmost limit of the safety of the banks, and it will contract five or ten dollars for every dollar of specie withdrawn for export, according to the proportion of specie to the immediate liabilities of the bank that may happen to be drawn upon. Every dollar of its expansion will add ten dollars of *price* without *value* to the aggregate of property and to obligations of debt accordingly, that must rest upon it for the means of discharge; and every dollar of its contraction will destroy the ten dollars of price before created,

and stop the payment of that sum of the money obligations of the people to each other.

In August, 1857, the total currency of the United States exceeded six hundred millions of dollars: I think it was six hundred and ten millions. This was reduced by the curtailment of bank loans one hundred and sixty millions in two months, from the middle of August to the middle of October. I have not any doubt this stopped the payment of one thousand six hundred millions of debt in the fall and winter of 1857-'8, much, probably most of which, was among small traders and producers all over the country who are unknown to banks or mercantile agencies, it being for the interest of all parties concerned to be silent upon the subject, and large amounts were compounded without open defalcation. This sort of curtailment is very different from that produced by the export of specie. Specie cannot be taken from us without being bought—a value takes its place that will command specie in a re-exchange with another nation or community. It is entirely impossible to go far in reducing the currency by merely exchanging specie for commodities, because every step in that direction tends to equation; commodities fall in price and money rises in value—things come to a level directly. But the curtailment of bank loans is a mere exchange and offset of one debt against another; no value remains; it is the annihilation of so much of price with so much of the currency. The most prudent man is liable to be ruined in this way if he happens to be in debt when the curtailment takes place. A man may be worth \$10,000, owing \$20,000, and having \$30,000 assets. A contraction of the currency that reduces general prices one half sinks not his net estate merely, but the means of his debtors, and his whole assets of \$30,000 to \$15,000; he is now bankrupt \$5,000, without any fault or imprudence of his own. I knew several as severe and honestly unfortunate cases as this in the winter of 1857-'58.

There is another mischievous power in the debt currency that is seldom considered. Commodities pass through five exchanges from the raw material to the consumer on the average; the continual loss of debts by our expanded credits, compels the traders to charge a large percentage on each sale, to cover the risk this system entails upon them. This charge by wholesale and retail dealers, is believed to average not less than 4 per cent. on each transfer; thus commodities reach the consumers burdened with about 20 per cent. of price to cover this abnormal risk: producers must be repaid this change, and of course add it to the cost of their productions, which thus come into the world's market, greatly at disadvantage, in comparison with those of every nation possessing a more valuable and stable currency. The obstacle to our export trade created by this is very great, but has never been estimated. These five exchanges from the raw material to the consumer, going and returning, complete the circle of ten that I assume as the average relative activity of the circulation of currency and property.

The popular cry against a bullion currency exclusively, is "the fall of prices" that would result therefrom: this is a groundless conceit, scarcely creditable to the intelligence of our bankers and merchants. How long should we retain flour, wheat, beef, pork, or any other product if it would pay five, or even one per cent. more profit or less loss than gold in balancing the account of our imports? Not a moment longer than the time necessary to disclose the fact. Commerce is lynx-eyed in this matter, and never permits gold to leave the country, when it is appreciably more valu-

able here than merchandise, and never detains it when its value is appreciably less. London being the centre of commercial exchanges, the exchange on England determines whether our prices are above or below the specie measure, and the rate of exchange is the true exponent of the deviation. One-eighth of one per cent. difference of value between gold and the average of merchandise, will at any time determine whether gold or merchandise shall pass either way between Boston and New Orleans, or between London and New York. There is a singular delusion in the minds of men on this point, in the face of facts of daily experience. What we do with our debt currency, is to degrade the value of gold and silver only so far as to make money cheaper than merchandise, expel the money, keep the merchandise, and thereby prevent the accumulation of wealth in the creation of more merchandise to the same extent, substitute debt for money in our exchanges to the utmost limit, extend credits to 8, 10, and 12 months, and forever; keep a stream of bad debts in the current of trade that gather at times to a torrent, and sweep the fortunes of the enterprising and industrious into the pockets of capitalists, and spread anxiety and wretchedness broadcast among the people: but as to the aggregate wealth of the country, it makes only the difference of about \$50,000,000 yearly loss in the export of specie, with the profit that so much capital would earn. Mostly the operation is to plunder the debtor, and give to the creditor, by a transfer of capital in our own country, making no difference in our aggregate wealth in this respect, excepting so far as the general embarrassment suspends production.

Who would discover a difference of price, more or less, in commodities of $\frac{1}{2}$ or 1, or even 5 per cent. in the average, caused by the alteration of the volume of the currency by the change from money to debt, or debt to money, where every commodity being affected by its own variation in supply and demand, is continually varying, from one to one hundred per cent. in price? Flour is sometimes \$5, and sometimes \$10 per barrel, and all other commodities are more or less affected by the law of supply and demand, without regard to the exchange value of money.

The fundamental error of our financial policy lies in the attempt to create wealth by creating currency: it is putting the servant before the master—the wrong power, in advance. We can create wealth only by producing commodities. The nation that pursues this policy will have, not only the most wealth, but the most money; they will have the least debt, and of course the least embarrassment; they must sell commodities and buy money: this is the present policy of France, whose currency now consists of about 1,000,000,000 dollars of gold and silver coin, and 100,000,000 dollars of bank debt in excess of the coin. She sells her products to England and the United States at our paper prices, and takes our gold in exchange. Of course there is almost no debt among her people; her home traffic must be conducted according to her currency about one-eleventh with debt, and ten-elevenths with money. Every trader and producer in the interior of the empire is said to be in possession of a bag of coin for his smaller traffic, and the larger operations are made through local bankers. New Orleans, notwithstanding her sickly climate, is, with her improved currency, according to her means in commodities, obviously getting the advantage of New York in commerce, and New York, with a better currency than Boston, is getting advantage of Boston. The State of Arkansas, having had nothing to do with debt banking, since the embarrassments created by her two banks

about 1842, from which she is not fully recovered, passed through the late financial crisis wholly unscathed, and is now thriving beyond any former period of her history.

I am very much gratified to find the Bullion Bank of New York has become a fixed fact. It is an evidence of a change of system soon to follow the present, and of sounder views of currency than have hitherto prevailed. I wish it all success. It cannot be doubted if that bank succeeds by charging a fee on its deposits, that it will become manifest another may succeed with an increased business, by paying interest on *deposits* borrowed on time, and lending at a profit on the rate of interest paid; lending deposits when they are *deposits*, but not while they are undrawn loans; that is, by keeping always coin or bullion in reserve, dollar for dollar of its demand liabilities. With a reasonable capital such an institution would be a far safer depository than the present Savings' Banks, for they have no capital at all, and are liable to great changes of value and consequent risk, from the long period covered by their loans. The increase of deposits in Savings Banks, and the enormous entanglement of debt produced thereby, are in my opinion charging a mine under the property of this country, that a spark may explode while we are in the enjoyment of fancied security.

We must look to the bankers and merchants for this improvement of bullion banking. Neither this nor any other improvement in banking or currency, will ever come, in my opinion, from State legislation, for the reason that a sufficient number of disinterested men, of intelligence enough to understand the subject, cannot be found in any State legislature in the country, with the exception of that of Arkansas, where they have learned wisdom from painful experience, and from the lessons of Mr. Wm. M. Gouge, who has been occupied laboriously in Arkansas for several years in clearing up the rubbish of their two broken State Banks.

An institution of this character brought into activity in the full channel of trade, with a controlling capital, will speedily put a stop to debt banking in this country, for the other banks must then follow the same course or break, and it will place New York infallibly at the head of the commercial cities of the world.

The Western Bank of Scotland.—The liquidators of the Western Bank of Scotland have notified that, from the proceeds of the late call, they are ready to pay off all claims, with the exception of those due to other banks. On the latter they will make a further instalment of 5s. in the pound. Meanwhile it is stated that the arrangements for the civil action against the directors are in proper progress, and that the necessary summons will be issued in a few weeks. All idea of criminal proceedings being instituted by the Government, is of course at an end, and the public might be disposed to concur in this forbearance, but for the gross injustice involved under such circumstances in the sentence on Mr. Esdaile, of the Royal British Bank, being allowed to remain uncommuted, the only charge on which he was convicted being that of having been a party to deceptive accounts, while it was proved he had lost his own money in the concern, and had never sought a fraction of pecuniary advantage. The danger to the Western Bank Directors being over, Mr. Walter Buchanan, M.P., their defender and apologist, who announced at the great meeting of dukes and merchant princes that their difficulties were to be attributed to nothing but accident and public caprice, might gracefully devote his energies to obtain something like even-handed treatment for Mr. Esdaile. He seems, however, just now to have turned his moral sympathies to wider objects, his last appearance having been in the capacity of Chairman of Mr. Bright's Reform Meeting at Glasgow.

THE SOUTHERN PACIFIC TRADE.

Copy of a private letter addressed by the President of the Panama Railroad Company, to ISAAC TOWNSEND, one of the Directors of the Company.

This letter was not intended for publication, but finding that the statements it contains have excited considerable interest among members of Congress and others, I have taken the liberty to have it printed for distribution beyond the circle of my personal friends.

OFFICE OF THE PANAMA RAILROAD COMPANY,
NEW YORK, January 18th, 1859.

MY DEAR SIR:—In compliance with your request, it affords me much pleasure to submit the following facts and observations in regard to the character and business of the Panama Railroad. I think they will be regarded with more or less interest by your friends in Washington, to whom you may have an opportunity to present them, especially those whose minds have been turned to the importance of the commerce of the United States with the Pacific.

The PANAMA RAILROAD has been in regular and successful operation for nearly four years, daily passenger trains having been organized in February, 1855. Its capacity for every description of business has been fully tested. Not only are the ordinary kinds of merchandise and the various productions of the Pacific constantly transported over the road, but also articles of the coarsest and heaviest description, such as the following: Coal, guano, lumber, timber, anchors and chains of the largest size, cannon, shot, shells, ores, iron work in pieces weighing 25 tons, heavy machinery, whale oil, &c., &c., together with every variety of Pacific produce, part of which will be particularly mentioned before I close.

Safety of the Transit to Life and Property.—No serious accident has occurred on the Panama Railroad, with a single exception, since it was opened from sea to sea in the early part of 1855. During the four years ending December 31, 1858, 121,820 passengers were transported over the road, and it is not known that even a case of sickness occurred among them during the transit, or caused by the transit. The amount of specie conveyed over the road during the same period, was over Two Hundred Millions of Dollars, without the loss of a single dollar. The exact amount was, of

Gold, \$171,157,421 25

Silver, 29,408,798 49—\$200,561,214 74.

Consigned as follows: to the United States, \$135,135,093 87; England, \$65,426,120 87.

During the same period, also, there were sent over the road about 55,000 bags of mail matter, the greater part of which consisted of mails between the Atlantic States and California, not one of which was lost. Of the many thousands of tons of freight which have been transported over the Panama Railroad since it was opened, the losses by damage or otherwise do not exceed five thousand dollars, and not more than *one-tenth* of the whole has had any connection with California, nine-tenths, at least, consisting of British manufactured and other goods, shipped to South America

and Central America, and of the produce of those countries in return, such as indigo, cochineal, India rubber, coffee, cocoa, deer skins, goat skins, hides, orchilla, pearl shells, tobacco, balsams, Peruvian bark, ores, straw hats, &c., &c.

Nothing is shipped *from* California by the Panama route, except a few cases of silks sent there from China, small parcels of ores and occasional lots of whalebone. Shipments *to* California consist mainly of valuable goods, which will bear a high rate of freight, which between New York and San Francisco now amounts to from \$2 25 to \$6 per cubic foot.

Erroneous impressions in regard to the sources of the business of the Panama Railroad prevail extensively, even among intelligent business men and members of our national councils, many regarding it simply as a sort of appendage to California. The fact is overlooked, that while California has a population estimated at only 500,000, the population of Central America is over two millions, and that portion of South America whose only means of communicating with the Atlantic is either by the Isthmus of Panama or around Cape Horn, contains nearly 8 millions. Trade with South America and Central America has been carried on heretofore almost exclusively by England, that between the United States and those countries being estimated at not more than ten per cent. of the whole.

The following statement shows the quantity of British merchandise which arrived at Aspinwall from England direct, and passed over the road during the first three years after it was opened :

	Weight—Pounds.	Cubic feet.
1855.....	423,869	84,151
1856.....	698,999	87,337
1857.....	3,160,155	95,333

Returns for 1858 have not been received, but there was a large increase over former years. The foregoing facts will serve to show the importance to American commerce of encouraging the Panama route, as one means of diverting the trade of the south-west Coast and Central America to the United States. The establishment of the steamship line between Panama and the ports of Central America is already doing much to change the course of trade with the latter country, the line referred to being an American enterprise, having a direct connection with New York, and enjoying the advantages of mail contracts with the Republics of Guatemala, Salvador and Costa Rica.

The line between Panama and Valparaiso is in the hands of an English Company, under a mail subsidy from the British Government, and the arrivals at Panama being so timed as *not to connect* with the American steamers, but only with those running between Aspinwall and Southampton, the merchants of the United States possess inferior advantages in their limited business with the south-west Coast. Should the recommendation of the Postmaster General to subsidize a South Pacific steamship line be adopted, it could not fail to result greatly to the benefit of American commerce.

In this connection, the following facts in regard to the trade between the United States and Australia are not without interest—a trade, the magnitude of which few are acquainted with. During the year 1858, no less than 68 ships, registering in the aggregate 56,087 tons, and carrying not far from 100,000 tons of freight, sailed for Australia from the ports of

New York and Boston alone. Their cargoes consisted mainly of American manufactured goods. In addition to these, six vessels at least sailed from Richmond and other ports in the same year, laden with flour and lumber for the Australian market. Panama offers the most direct route for postal and passenger communication with Australia, and it is supposed will soon be occupied under the patronage of the British Government. In that event, New York will receive advices from Australia seven days in advance of London, which must be favorable for American trade with that country.

Existing Ocean connections with the Panama Route.

A line of British mail steamers twice each month between Southampton and Aspinwall, connecting with the British mail line running between Panama and Valparaiso, touching at fifteen intermediate ports.

An English screw steamship line between Liverpool and Aspinwall.

A line of sailing vessels between London and Aspinwall.

A line of sailing vessels between Liverpool and Aspinwall.

A line of sailing vessels between Bordeaux and Aspinwall.

A line of sailing vessels between Bremen and Aspinwall.

A line of sailing vessels between New York and Aspinwall.

A steamship mail line, fortnightly, between New York and New Orleans and Aspinwall, connecting with the California mail steamers between Panama and San Francisco.

Steamship mail line, monthly, between Panama and San José de Guatemala, touching at five intermediate ports. Other lines are projected to connect with the Panama Railroad, and transient vessels now frequently visit both Aspinwall and Panama from foreign ports, beside numerous smaller craft engaged in the coasting trade.

I have made no reference thus far to the general trade between the Atlantic States and California, that subject being so much better understood than most of the other matters touched upon. But I beg to give a few statistics which may not be known to all, even among those connected with the trade.

The number of ships that sailed from New York and Boston for San Francisco, in the last four years, around Cape Horn, was as follows :

1855.....	121
1856.....	123
1857.....	90
1858.....	156

Those of 1858 carrying an aggregate of 279,634 tons of freight, of which about 250,000 tons were assorted cargo, the balance consisting of coal. Now, I claim that much of this freight should take the Isthmus route, looking at the true interests of shippers. And there is nothing in the railroad charges that should prevent it. The difficulty lies in another direction which is so well understood by yourselves, that I need not enlarge upon it. The great advantages of the Isthmus route are made strikingly apparent by the following table of the comparative length of passages from New York to San Francisco, as shown by the average of the last four years :

Fast Express, through by passenger trains.....	23 days
Slow Express, remaining over on the Isthmus one steamer....	37 do.
Sailing vessels, connecting with steamers at Panama.....	46 do.
Sailing vessels <i>via</i> Cape Horn.....	133 do.

No other route than Panama can by any possibility be made to meet the wants of California for the transportation of valuable merchandise or mails. Nor even for passengers, taking into account the safety of the transit to life and health. Under ordinary circumstances, passengers, mails, treasure and express goods, take their departure from either port of the Isthmus within twenty-four hours after their arrival at the other, the railroad trains making the transit from ocean to ocean in less than four hours.

Substantial and commodious wharves have been built at Aspinwall, where steamers and ships load and discharge with as much facility as in the port of New York. Steam-tugs and large launches have been provided in the Bay of Panama, by which lighterage between ship and shore is performed with safety and despatch, and entire cargoes can be transported over the railroad from either direction in a single day.

Comparisons are sometimes made between the rates charged for freight and passengers by the Panama Railroad, and the railroads of the United States. Nothing could be more unjust. No reduction in the rates of passage would increase travel across the Isthmus, and even at the present rates, all the passenger trains are run at a positive loss, except those connecting with the steamers, say from four to six days in each month. Were passengers and freight to be conveyed over the road literally for nothing, the business of the route would not be materially increased, unless greater facilities and lower prices for ocean transportation should first be established. And had such rates only been charged at the outset of the undertaking, as would have been considered fair by the public, the Company would have become bankrupt within a single year! As it is, only twelve per cent. per annum has been paid to stockholders—surely a very small return, looking at the nature and peculiar circumstances of the enterprise.

The Bay of Panama presents advantages for a naval station, superior to any that can be found in any other port of the Pacific. For safety and commodiousness the bay is unsurpassed;—disastrous storms never prevailing there, and having sufficiency of water for the fleets of all nations. And that point is distant, by steam, only—

Eight days from New York and Philadelphia.

Nine days from Boston or Washington.

Six days from New Orleans.

Twelve days from San Francisco.

Twelve days from Valparaiso.

Four small islands in the bay, lie about one mile from the shore, having ample room for coal depots, and depots for naval stores, munitions of war, &c., but inasmuch as coal, men, and supplies of every description can be placed at Panama so quickly from the Atlantic ports, it would be unnecessary to keep large quantities on hand, a matter of no small importance, especially in regard to provisions, so liable to deterioration in a tropical climate. If I mistake not, I am sustained in my opinion of the suitableness of Panama for a naval depot, by the united testimony of all the officers of our navy who have been stationed at that point.

I could add much more, but have already trespassed upon your patience too far. Begging pardon, therefore, for the length of my letter,

I am, my dear sir,

Yours, faithfully,

DAVID HODLEY.

ISAAC TOWNSEND, Esq., Washington.

IOWA COUNTY BONDS.

THE facility with which county bonds have been, and can be still further created, with or without the color of law, has led to much dissatisfaction. Capitalists have been defrauded, in numerous cases, by designing parties, and thus discredit thrown upon a large class of securities that should otherwise be sound and reliable. The following letter refers to a late case, where honesty of purpose may have prevailed, but certainly with little discretion.—ED. B. M.

IOWA, April 5, 1859.

To the Editor of The Bankers' Magazine.

DEAR SIR:—We have your note of the 26th, making certain inquiries in regard to the \$26,000 Marshall County Bonds—"whether the county has authorized such issue, and has it the ability to redeem them? and other information," &c.

In reply, we have no hesitation in expressing the opinion, that said bonds were issued without adequate authority in law. And we will further express the opinion, that while under other circumstances, Marshall county bonds ought to be good, yet, in respect to the \$26,000 referred to, there are likely to be many difficulties.

These bonds, we believe, were issued to obtain funds to enable the county judge to build a court-house; under what circumstances, we will speak presently. There is no doubt that the code of Iowa empowers county judges to provide necessary public buildings for the use of the respective counties. A recent unpublished decision of our Supreme Court is full and explicit, showing that the county judges have ample authority to build, or cause to be built, necessary court-houses within their respective counties.

County judges are also "fiscal agents" of the counties; and no money is drawn from the county treasuries except on their warrants. The county judge has authority to build a court-house, and to issue his "warrant" on the treasury to pay for it. But neither the letter of the law, nor the implication, we apprehend, goes so far as to authorize him to issue the bonds of the county, contracting for a rate of interest at ten per cent., payable at specified periods, and for the principal to be redeemed within a term of years. The judge of Marshall County had a right to build his court-house, and to issue his warrant on the treasury of the county to pay for it; but not to issue the bonds in question—to borrow money—at a specified rate of interest and payable at specified dates, and to be redeemed at the end of a term of years. The county judge can levy taxes, or aid in the levy, and when collected he can draw the money from the treasury on his warrant. But he cannot borrow money, except in cases which we will name.

Our laws authorize county judges to borrow money, and issue the county bonds, to aid in the construction of railroads, to build bridges, to redeem outstanding county warrants, &c., after issuing his proclamation calling an election by the people, submitting a definite proposition. If the people vote for the loan, then the judge can issue the bonds of the county,

if against the loan, then he cannot. In the case in question, the judge of Marshall County issued no proclamation, there was no election; but the judge acted on his own assumed authority.

Our laws provide that the holder of a county warrant may present it at the treasury, and in case there is no money to redeem it, the treasurer certifies to the fact in writing, on the warrant. From that date it draws interest at six per cent. The judge can make no arrangement in regard to interest, except in the case of a loan in accordance with a vote of the people.

Marshall is an excellent county, in respect to its agricultural resources; and its financial condition is reported to be good. But there has been an unfortunate quarrel, of twelve or more years' standing, in regard to the location of the county seat. The people seem to be about equally divided; one party wants it located at Marshall, and the other wishes to retain it at Marietta. For many years this county seat question has overshadowed and absorbed all others.

There is a law in Iowa which provides that the people, at an election called for that purpose, may fix the locality of the county seat.

Some time ago, there was an election in Marshall County to decide the question between Marietta and Marshall. At that election, waiving mutual criminations of bribery, &c., &c., it is held by one party that there was a majority for Marshall. But by throwing out the vote of certain precincts, there was a majority for Marietta. The Marshall party procure the arrest of the judge, for fraud in canvassing the votes, and in throwing out the votes of certain precincts. They carry him from Marietta to Marshall. There he is released from the law, and seized by the mob. The mob oblige him to hold another canvass of the votes, undo what had been done, and to make such a showing as would fix the county seat at Marshall. He is also required to issue an order to the sheriff to remove the archives accordingly. The sheriff goes over to execute the command. Thereupon the Marietta mob set upon him. At length the sheriff returns with a numerous armed *posse*, but the mob rallied in still greater strength, and the former were persuaded to retire. Thereupon the Marshall party went off to the Mississippi for a park of artillery; and it is reported that they have reached the seat of war with an old brass cannon.

In the meantime the Marietta party betake themselves to some headwork. It was thought if they could get an expensive court-house built in short order, that would go far towards settling the question. The people would be less willing to forsake Marietta and an expensive court-house, to incur a similar expense at Marshall. But the treasury would hardly warrant such an undertaking; besides, the people might refuse to pay taxes. Nothing could be done unless the money could be obtained at once. And here is a good place for the happy thought of the \$26,000 in bonds to come in. If the bonds will only bring the money, the people may repudiate and welcome.

In conclusion, we will express the opinion that capitalists will not be warranted in purchasing county bonds from Iowa until it is shown that such bonds are issued in accordance with a legal vote of the people of the county.

PRINCIPLES OF FINANCE.

From "The Ways and Means of Payment."

By STEPHEN COLWELL, OF PHILADELPHIA.

We made copious extracts from this volume in our April Number. We now resume these extracts, upon miscellaneous topics, which will give the reader a correct idea of the ability and candor with which the work has been written, and of its adaptation to the wants of those who are examining the early history and principle of banking and currency.—Ed. B. M.

I. *European Coinage.*—Germany alone had 68 mints, each with its separate coinage and regulations. When all the gold and silver coins, with their subdivisions, from 68 mints, were circulating over a territory no larger than Germany, it can readily be conceived what a nuisance this variety became in business. But when this nuisance was enhanced by a due proportion of counterfeits, by the abrasion, clipping, and other deterioration of coins, it can scarcely be imagined how intolerable the burden became. The complaint was loud and bitter, and projects for reform abounded; a system to be uniform not only throughout Germany, but Europe, was earnestly demanded. The same evil induced the establishment of banks of deposit in Holland.

In urging upon the public his proposal of a convention of delegates from the various governments of Europe, to devise a uniform mode and system of coinage, Scaruffi placed before his readers the whole mischief in bold relief. The director of the mint in Reggio, however, could not move the authorities of that day by his logic, nor by his position; and he lacked the power which Napoleon applied to the subject more than two centuries after, when he introduced a uniform coinage into Italy. No sooner had the power of the French Emperor ceased to be felt in Italy, however, than the Pope, and other princes, commenced the old system of multifarious coinage, the evils of which are now seriously felt: "Dont la diversite embarrasse tous les jours, non-seulement les etrangers et les voyageurs mais meme les banquiers et marchands Italiens."

Italy is said to be famous for the worst coins, and the best writers on money. One of the earliest of these was Scaruffi ("*Discorso sopra la Moneta*"), published in 1582, and to be found in the second volume of "*Baron Custodi's Collection of the Italian Economists.*" Scaruffi was, for many years, master of the mint at Reggio. He was so profoundly impressed with the mischiefs of the coinage, that he looked upon it not only as the scourge of Italy, but as "a conflagration which threatened all Europe." Not satisfied with deploring these evils at home, and with suggesting local remedies, he proposed a plan for a uniform and general coinage for all Europe, the coins to be the same in size, weight, and alloy or standard. If this suggestion of Scaruffi's was not adopted, another important one was. He proposed that all manufacturers of plate and jewelry should be compelled, by law, to place their mark on every article manu-

factured by them, together with a designation of the quality of the metal. This is now the law in most of the countries of Europe, and should be here.

In this age of paper currency, of higher commercial credit, when public opinion is strong enough to restrain men in authority from debasing coin, it is scarcely possible to credit the injury inflicted upon industry and commerce by the diverse coinage of Italy, its alterations, counterfeits and debasements. This combined evil is not only called, as above, a conflagration, but a scourge, a pestilence; it was compared with the contemporaneous famine and pestilence of the 16th and 17th centuries. The aid of Heaven and the Church was invoked by processions, indulgences, &c., to mitigate the *morbus numericus*. The ecclesiastical remedy was not successful.

"L'Italie fut sans contredit la nation qui souffrit le plus de cet excès si grave. Divisée pour son malheur en tant d'états divers, le mal semblait multiplier par le nombre de ces gouvernemens." . . . "Ils persistèrent alors dans la stupide détermination de laisser l'Italie ce qu'elle était depuis long-temps, une MOSAÏQUE de gouvernemens, de lois, de douanes, de monnaies," &c.

In the Papal dominions a custom has prevailed, which adds greatly to the perplexities of those who have to deal in the coins of Italy. Every Pope adopts new devices, and often makes other changes, for the coins to be issued during his Pontificate; and besides this, the interregnum between the demise of one Pope and the election of another, which is often a period of some months, is characterized by a coinage of its own. Between the years 1700 and 1780, there were issued from the mints at Rome 283 different coins, of which 67 were gold. Besides these, other varieties were issued from other mints in the ecclesiastical States, as Boulogne, Ferrara and Gubbio. [*Caissier Italien*, folio 8.]

In the same period, the other mints of Italy were active, and issued, including those of the ecclesiastical estates, not less than 800 varieties of coin, to circulate in the small territory of Italy.

It was felt to be a great relief from this intolerable confusion, when Napoleon introduced a uniform coinage. This blessing was only enjoyed during the ascendancy of the French Emperor. As soon as it ended, in 1814, every government of Italy returned to the old system of coinage, and continues it until the present. A traveller may, at any time, obtain a rouleau of coins from an Italian banker, which, though of full weight, can only be disposed of at a discount. We said, may obtain; we should rather have said, he will be fortunate if he is not sometimes served in that way.

Those who wish to know more of the evils of Italian coinage and money, may consult the Cambist writers, Commercial Dictionaries, and numismatic authors who treat of the coins of that country. See *Scarpuffi Davanzati*, and other writers, whose works are contained in the collection of Baron Custodi of the "*Economisti Italiani*," in 51 vols. 8vo. See, also, "*Raccolta degli Scrittori delle Monete d'Italia*, Filippo Argellati;" "*Storia della Economia Publica in Italia*, di Conte Pecchio;" "*Histoire de la Republique de Venise*," tom. iii. 75; "*Caissier Italien*," passim; "*Marperger on Banks*," 1717, 4to, pages 170 to 189, in German.

II. *Currency of Coins.*—We have already noticed the obstacles to rapid circulation, arising from the wearing of coins, from frauds upon the coinage by punching, sweating, splitting, and debasing; but more especially from the immense variety of coins proceeding from scores of different mints. Whatever facility of circulation any people may have by the nature of the country, or whatever artificial facilities might be provided, these obstacles seem to place a limit to a largely increased circulation of coins, which neither power nor ingenuity can overcome. The first remedy resorted to against this evil was only an alleviation. The collection of this multifarious coinage in sacks, duly counted, indorsed, and sealed with the name of some well-known merchant or banker, only made the sack circulate as so much bullion. The coins were no longer useful or convenient, and their circulation as such was, in fact, at an end.

The next great remedy for these obstacles to circulation was the establishment of such banks as those of Amsterdam and Hamburg. These banks received coins on deposit, after carefully ascertaining their value, and placed the amount received to the credit of the depositor. The holder of such a deposit transferred his title to the money in the bank, instead of counting and delivering the coins. This method of transfer would have admitted of a circulation more rapid than any attainable by coins at large, had not these banks surrounded the transfers with restrictions and limitations, which greatly reduced their efficacy. In some cases, but one transfer of the same amount was permitted in one day. It is quite obvious that the same sum might be transferred, under very safe regulations, every five or ten minutes during the day. But this process of transferring the title to money is a very different thing from circulating money. It is, in fact, a stoppage of the circulation of coins; the title circulates in their place. The parties to such transfers do not know, nor do they attempt to ascertain, that the equivalent in coin is actually in the bank. These deposit banks were half-way stations between an exclusively hard-money circulation and the credit system. The parties who transferred and received credits in these banks confided in the fact that the money transferred was there. There was an exercise of confidence and mutual faith, without which the bank could not have existed. We shall have occasion to remark that, in the case of the Bank of Amsterdam, that confidence, and the unimpaired usefulness of the bank, continued long after a large portion of the money had been abstracted by the authorities of the city.

Banks of deposit, then, rather mark the limits of the circulation of coins, than constitute its climax. They belong almost as much to the credit system as to the money system, partaking of the characteristics of both. Whilst civilized people have always shown a strong partiality for the precious metals as a medium of exchange, the history of the last four centuries shows that there have been inducements strong enough to suggest and introduce other modes of effecting exchanges. No doubt the expense of gold and silver as a medium of exchange, the annoying difficulties growing out of a multifarious coinage at every mint, the multiplication of mints and coins, the debasement of coins by governments, and their fraudulent deterioration by rogues, contributed at a very early date to drive merchants and men of business to other methods of payment, and to seek another medium of exchange. But these inducements to resort to other modes of payment, influential as they must have been, were by no means

the chief reasons why, at the present day, so small a portion of business transactions are effected by the actual employment of the precious metals as money. The partiality for this money is scarcely less than it has ever been. The great fact is, that the increase of industry and production for the last three centuries, the division of labor, and the consequent vast increase in the interchange of commodities, has far transcended any possible circulation of coins as a medium of payment for the whole of these transactions. It may be safely assumed that when other modes of effecting these exchanges were adopted, it had become, if not a necessity, at least a convenience and an economy too considerable to be resisted. It may be asserted, too, very safely, that though the precious metals intervene to such a small extent, in proportion to the whole payments of commerce, yet they are acting now as effectively as they ever did: that the transactions of commerce, which now take place without the intervention of gold or silver, are such as could not take place if dependent for their progress upon actual payments in the precious metals. The exchanges of domestic and foreign commerce, which take place without the actual aid of gold or silver, are essentially the measure of the incapacity of coins to accomplish the commerce of the present day. Gold and silver money have long ceased to be the chief agent in effecting the exchanges of commodities. Their chief employment now is as the small change of retail business, as a means of paying the balances of foreign trade, and as a security for the public in the business of banking. The quantity of coins withdrawn from circulation for this purpose of banking is vastly more than made up by the greater quantity of bank-notes issued, and by the greater rapidity of bank-note circulation over that of coins. Yet if the comparison between what is done with and without the use of coins be enlarged by adding to the circulation of coins that of bank-notes also, it will be found, especially in Great Britain and the United States, that a very small proportion of the whole payments of these countries is effected in coins and bank-notes, even when taken together.

The Frank of France weighs, (silver)	76.5 grains.
Napoleon, " " (gold)	99.2 "
Sovereign, England, weighs, (gold)	122.5 "
Shilling, " " (silver)	86.5 "
Dollar, U. States, " (silver)	412.5 "
Eagle, " " (gold)	258. "

The coins here mentioned, and all others, are accurately adjusted in weight to the unit of the respective moneys of account they represent. The money of account is not changed to suit the coins, but the latter to represent the former. Where this adjustment is not correct, as was the case with our gold coins before 1834, the coins will not circulate. If coins are undervalued in the money of account, they will be melted or exported; if overvalued, they will be refused. The adjustment of the coin to the unit of the money, or the part it purports to represent, must be correct to the minutest fraction. This is because coins are made a legal tender. Bars of gold or silver of any size may circulate by weight at the market price. Coinage, with a law making the coins a legal tender, is fixing the price by law of the precious metals, and is open to serious objections when applied to larger sums. All that a government can do, in the way of fixing this price, is to force creditors to take them at the price fixed.

III. *Standard of Value*.—The precious metals are, in no proper sense, a *measure of value*; they are simply a convenient equivalent, being of very great value in small compass, susceptible of being brought to uniform quality, and of being subdivided into pieces or coins of any required weight. These pieces are not employed as measures; they are never produced to express or ascertain a price, or show what a purchaser or seller would give or take for any article. If this were necessary, the equivalent in coins would have to be laid down in every transaction, that the party to whom an article of merchandise was offered might know its price. When a horse is said to be worth a hundred dollars, the price is better understood than if one hundred dollars in silver or gold coins had been exhibited as the measure of the value. Neither does expressing prices consist in naming coins, or any number of them; for this facility in stating prices is the same, whether, or not, there exist any corresponding coins—as was exhibited in the case of our colonial pounds, shillings, and pence.

The same considerations prove that the precious metals are not, strictly speaking, employed as a sign or representative of value. They are neither signs nor representatives, in any practical sense of these words. Such expressions have all sprung from the want of attention to the functions of a money of account.

The Earl of Liverpool, in his elaborate "Treatise on the Coins of the Realm," thus sums up the imperfections of coins as a measure of value:—

"1. Coins are an imperfect measure, because they fluctuate in value even when made of one metal only. Neither gold nor silver will now purchase as much of any article as before the discovery of America. As a measure, neither can now be of the same import as formerly.

"2. If coins are made of both metals, they are liable to vary with reference to each other. In the 43d of Elizabeth, fine gold was to fine silver, at the English mint, as 11 to 1. In 1666, it was $14\frac{3}{4}$ to 1. Guineas were then coined as 20 shilling pieces. After many fluctuations, and rising as high as 30 shillings, they were fixed by proclamation at 21 shillings. Fine gold is now [1805,] as $15\frac{3}{4}$ to 1.

"3. If the sovereign attempts to fix the rate or value at which coins of different metals shall pass, a third imperfection is perceived. Their prices in the market will frequently differ from the rate at which he has valued them in coins; and when coins of two metals are made a legal tender, there will be two measures of property, occasionally differing from each other. The speculator will profit by this, and the debtors will pay debts in the cheapest medium.

"A fourth imperfection is that which arises from gradual wear, which will lead to the melting of heavy coins, and keeping the light only in circulation."—"Coins of the Realm," pp. 10, 11, 12.

Another attribute frequently given to the precious metals is, that they are a *standard of value*. This is equally inaccurate. There may be a common equivalent—an article that is commonly given in exchange for other articles; but there can be no standard of the value of all articles of merchandise. Every commodity may have its standard of quality—a certain grade being assumed, with which all other specimens are to be compared; but no one article can be assumed or regarded as a standard for other things of a totally different kind. Gold cannot, in the mint, be made the standard for silver; nor can silver be made the standard for gold.

Much less, taking the whole range of articles of human consumption, can there be any standard of value or price to which all can be referred, or with which all can be compared. The term standard is, then, inaccurately applied, when it is used with any such signification. It is said, for instance, that the standard of Great Britain is gold; and that, until recently, that of France and the United States was the double standard of gold and silver. Standard of what? There can be no such thing as a general standard of value. The term standard, thus used, is a common but ill-chosen expression of the fact, that in Great Britain gold is the standard of payment, and that in France and the United States both gold and silver were the standards of payment; or, to adopt legal language, gold in Great Britain, and gold and silver in France and the United States, were a legal tender in payment of debts. If the term standard is employed at all, it should be standard of payment.

That there should be some legal mode of discharging a debt is the settled policy of modern times. In some countries, gold is made a legal tender, in some silver, and in some both these metals, in discharge of debts. So willing, however, are people to receive payment of what is due to them in the ordinary currency, whatever it may be, that it is very rare to see a formal tender of gold or silver, or to hear of such a demand. Their use among the banks, and in payment of foreign balances, does not proceed from its being a legal tender, but from pure commercial reasons, which would be equally operative, if the law of legal tender did not exist. Gold or silver would seldom be refused in discharge of a debt, even if no law existed in regard to it. Few, however, will dispute that it is expedient to provide some legal mode of paying a debt, that every man may be able, in some way, to obtain a legal acquittance of his pecuniary obligations, or at least be discharged from liability for subsequent interest, if the creditor refuses to accept the legal medium of payment. It is in this sense that the word standard may be applied to gold and silver, apart from their quality, with some degree of propriety.

Though it is the policy of modern nations to establish a standard of payment, and though gold or silver are the best substances for that purpose, not only by reason of their intrinsic value, but on account of their being so generally and so long used as money, there are objections to *fixing the price* by law at which gold or silver, or both, shall be received in payment of a debt. This has been done in the face of the admitted fact that both the precious metals fluctuate in value. Nothing has contributed more to obscure the subject of money than this fixing by law the price of gold and silver.

IV. *Payments in Bank.*—It will be some gain if the public learn from experiment, that the only connection which the gold in the Bank of England has with its current operations is as a security to the holder of its notes, and to its depositors. The immense amount of payments effected by the customers of the bank, through its agency, are in no way dependent on the gold in its vaults for their efficacy. The government may limit the business of the bank by reference to the quantity of gold on hand, if the public interest demands it; but it should not propound, as a reason for such limitation, that the movements in the deposits and notes of a bank should correspond with the fluctuations of a currency wholly metallic. This

is running the cart against the locomotive, the "ship of the desert" against the steamer of the ocean. A greater amount of payments are made, in the Bank of England, for the benefit of its customers in one week, without touching a penny of its coin, than could be effected by that coin, in its regular movements, in a whole year. The bank, whatever its demerits, or whatever reforms it may need, as an instrument for accomplishing the payments of commerce, is just as much more effective than the coin in its vaults, as a locomotive with its freight train is superior to a man with a wheelbarrow. When it becomes expedient for a steamer at sea to tack and take the same zig-zag course which a sailing vessel is compelled to take, then it may be wise to regulate the movements of the credit system by those of coins and bullion.

V.—*The Bank of Amsterdam.*—The Bank of Amsterdam was established in January, 1609, under the guarantee of the city, and the government of its magistrates. The avowed object was to afford some relief against the intolerable nuisance of worn and defaced coins, which flowed into a great commercial mart like Amsterdam from all the world. The currency made up of these coins had long been at a discount of eight to ten per cent.; and bills of exchange, payable in this currency, were of course at a like discount. The leading measure upon which it was founded, and by virtue of which it had a rapid rise and growth, was that all bills of exchange, for sums over 600 florins, were payable only at the bank. In a city where so many payments were concentrated, this regulation drew daily vast sums to its vaults. Every person who had bills to pay for himself, or others, was obliged to open at once an account in the bank, by depositing the amount of coins or bullion needful to meet his payments. These deposits were scrutinized, tested, valued, and the proceeds carried to the credit of the depositor, less five per cent.; besides a charge of ten florins for opening the first account.

The bank received its first serious check in 1672, sixty-three years after its establishment. When the French army had entered the Low Countries, and had taken Utrecht and many other places, an alarm for the safety of the deposits in the Bank of Amsterdam spread over the whole country. The depositors, although not strictly entitled to draw their deposits, in what they deemed the imminent hazard of the bank, demanded coin for their respective credits. The demand was complied with promptly, so long as it continued. Those living at a distance from Amsterdam sold their credit even at a discount of five or six per cent., which was equivalent to a total loss of ten or twelve per cent., as these credits were, at all ordinary times, worth five or six per cent. more than par. The alarm was soon over, and the bank, not having been violated by the French army, was soon again in possession of all its treasures.

For almost two centuries the bank enjoyed unimpeached credit, performing all its functions with unceasing steadiness, and greatly to the benefit and commercial prosperity of Amsterdam. The amount of treasure amassed in its vaults has been variously estimated at from five to eighty millions sterling. If ten millions sterling be taken as a safe estimate, and it be assumed that the whole capital was moved only one hundred times in a year, its payments in that time would amount to one thousand millions sterling, or \$4,800,000,000. The transfers of this enormous sum

were made, during that long period, in unhesitating confidence as to the security of the deposit. The bank permitted no scrutiny into its condition, and rendered no account to the public; but merchants never doubted the validity of a security which was incessantly used in paying debts. In 1790, it was discovered that a large portion of the famous deposit had disappeared fifty years before, and that a gradual diminution had been taking place during that period, until the actual quantity remaining was small indeed. The amount withdrawn had been lent to the East India Company, the Provinces of Holland, and the city of Amsterdam, none of which were in a condition to make instant restitution. The bank failed, because its guardians had been unfaithful to their trust. Before this breach of trust became known, transfers of the abstracted deposits, and payments by them, had been made to the value of hundreds of millions sterling per annum; yet these payments were ever after unquestioned, as to their validity and efficiency. No evil or disadvantage, no check to commerce, was felt until the abstraction was discovered, and the loss fell upon the holders of that moment.

VI. *The Bank of Hamburg.*—The Bank of Hamburg was established in 1619, ten years after that of Amsterdam. The extreme inconvenience of a deteriorated coinage from various mints, of differing standards, compelled the merchants to resort to this mode of relief, availing themselves, however, of the co-operation and guarantee of the city. One of the effects of the circulation of base coin was to produce an unfavorable foreign exchange—a great grievance at a free port like Hamburg. The whole evil was so great, as to evince that the abuses of coinage may be a serious check to trade. The remedy was that previously adopted at Amsterdam, to lock up the coins, and circulate the credit granted for them. The bank at first received on deposit only the rix dollars of the German Empire—a silver coin of approved standard. It was supposed that coins thus deposited in the vaults of the bank would be safe from the whole army of sweaters, pluggers, and clippers; that they could not suffer by wear; and that they would be safe from burglars, robbers, and pirates. They discovered, in process of time, that there was an insidious mode of attack, from which the bank did not escape, with all their caution. The mint of the Empire issued coins of the same name and apparent value, but of a lower standard than those which the bank had received. These being put into circulation, soon found their way into the bank. Those merchants who were in the secret were able to drive a very successful business by depositing the new, and withdrawing the old coins. Before the mistake was discovered, a large proportion of the new coins had found their way into the bank, to the great dismay of the managers. The new coin was of less value than the old, in the proportion of 516 to 540, or nearly five per cent. less. This produced so great a disturbance, that for a time the bank was shut. The difficulty was adjusted by assuming an average on the above proportion, say 528; and upon this the accounts of all the depositors were adjusted. This marc banco was not represented by any coin; but from that time, in 1770, it has continued to be the unit of the money of account of the bank. At the same time, having had this experience of the danger to be apprehended from mints of a foreign power, it was decided that the bank should receive ingots of silver or coin only as bullion. Every deposit was duly

assayed or tested, and the credit on the books given accordingly. The standard adopted was one of alloy to 47 parts fine. The bank money thus established has proved, according to the best authorities, one of the least variable in Europe. For a long period it has stood at a premium above the currency of coins in general circulation, from 20 to 25 per cent. premium. This argues very strongly that, however circulating coins may suit for the purposes of small change in the retail trade, they do not suit for the large operations of banking and foreign exchange. In all operations of foreign exchange, coins can only be regarded and treated as bullion; and large dealers in coins are compelled to be governed by the principles which govern foreign exchange.

The bank is under the government of five directors, two counsellors, two treasurers, and two of the principal magistrates of the city: one of each kind goes out annually. The vaults in which the treasure is placed have each five different locks, and each director holds the key to one of these locks, so that no vault can be opened without the whole five directors being present. No employee of the bank, and no broker, is allowed to open an account; for brokers in Hamburg are not regarded as merchants, and do not enjoy their privileges; only merchants and citizens of Hamburg are permitted to open accounts. A loan office is connected with the bank, which is permitted to lend bank money on pledge of gold, silver, and jewels, to the amount of three-fourths of their value. The officers of the bank have the management of the mint, and the coinage of the city.

The credit of this bank has been rarely shaken. It endured a severe trial from the confusion in the coinage above mentioned; it once over-extended its loans on pledges; and it was wholly absorbed by one of Napoleon's marshals, Davoust, who took all its money for his army. The French Government subsequently made restitution, and the bank resumed its position and operations.

The mode of payment at the Bank of Hamburg is substantially the same as that which we have described as having been followed at Amsterdam. The same regulation of one transfer of the same sum daily, unless on special occasions: the same strictness as to the hours of business at the bank—the time of transferring being from 7 to 10 o'clock A. M.; with the permission from 10 to 1 P. M., and from 3 to 5 P. M., by paying for the privilege. The times for inquiring whether transfers had been made were the same, but with a charge if the information was required at the two later periods. These charges were usually compounded with the clerks for a fixed sum, on payment of which information could be had at all hours. These regulations are by no means necessary or incident to such banks. There is no reason why the deposits in such banks could not be transferred by checks as rapidly as the deposits of the Bank of England, or the banks of the United States. And this would be giving to the precious metals all the efficiency, in commercial payments, of which they are susceptible.

The Bank of Hamburg is, to this day, a living, useful and flourishing establishment. It is a proof that, although institutions and devices of credit have long since far outstripped, in effectiveness, any possible application of the precious metals to the business of commercial payments, yet there is no good reason why every proper method should not be adopted, of making coins and bullion available, in the payments of trade, to the utmost extent of which they are susceptible. There can be no doubt that

there is room, in every important commercial city in the world, for a bank whose business it should be to receive, hold and allow the transfer of deposits of gold and silver bullion brought to a common standard, or all fine, and without alloy. They could be thus rapidly circulated in payment, and be ready for any emergency or demand.

VII. *The Bank of Venice.*—In the year 1171, a Venetian fleet of a hundred galleys was sent to avenge an outrage perpetrated by the Grecian Emperor, Manuel, upon Venetian merchants in his empire. This fleet humbled his pride, and compelled him to give satisfaction. The contest is memorable for having given origin to the Bank of Venice. "For the republic being oppressed by the charges of the war against the Emperor of the East, and at the same time involved in hostilities with the Emperor of the West, the Duke Vitale Michael II., after having exhausted every other financial resource, was obliged to have recourse to a forced loan from the most opulent citizens, each being required to contribute according to his ability. On this occasion, and by the determination of the Great Council, the office of chamber of loans (*LA CAMERA DEGL' IMPRESTITI*) was established: the contributors to the loans were made creditors of that office, from which they were to receive an annual interest of four per cent." The Bank of Venice gradually assumed the form under which it was, for many ages, the admiration of Europe, the chief instrument of Venetian finance, and the chief facility of a commerce, not surpassed by that of any European nation. Its progress and form were, however, clearly that which naturally grew out of the position of the first contributors to the loan. Its origin was not the first occasion in Venice, or elsewhere, where the State became a borrower from its subjects; it may have been the first in which the loan was taken by a regular subscription, and the subscribers became a specially constituted board for their own protection, and the management of the loan. The book in which these loans were inscribed was authenticated by the government, and made evidence of the whole amount of the debt, with the proportion belonging to each subscriber. It was an easy step to commence the transfer of these loans in part, or in whole. The interest was punctually paid by the government into the office, and distributed thence to those who were entitled to it. Facility of transfer, coupled with the security of the State, and regular payment of the interest, seems to have led to a very rapid circulation of this loan. It must have been regarded, at that day, with great favor as a mode of investment, for nothing of similar convenience and availability has ever been enjoyed, or was then accessible. The creditors, being thus associated, could bring their united influence to bear upon the government, to insure the regular payment of interest, and to obtain such extension of privileges as time and experience showed to be important and valuable. The reimbursement of the loan ceased to be regarded as either necessary or desirable. Every creditor was reimbursed when he transferred his claim on the books of the bank. From being convenient and valuable as an investment readily obtained, and as readily disposed of, it became, by a natural process, a medium of payment in transactions of commerce. That fund, which was desirable to all seeking investment, would be willingly, in many instances, accepted in payment of debts already existing, or for goods just purchased. There is good reason to believe that this fund was largely used in this way for cen-

turies before the final arrangements were made, of which our accounts are more clear. It is not unlikely that irregularities crept into the mercantile usages of the bank; that transfers were made otherwise than in the bank, and perhaps by circulating papers or checks authorizing the bank to make transfers for the amount expressed to bearer. Such a practice, unauthorized by the State, would lead to confusion, to mistakes, to forgery, and litigation. Whatever may have been the malpractices which grew up in the usages of the bank, in the first two hundred and fifty years of its history, it fully vindicated, in that period, its power and utility as a financial agent of the republic, and its efficiency in promoting the movements of commerce.

VIII. *Banks of Scotland.*—The banks of Scotland have a well-organized system of clearing, or exchanges, among themselves, which takes place twice a week alternately, at the Bank of Scotland and the Royal Bank in Edinburgh. The payments are made in exchequer bills, Bank of England notes, or gold, at the option of the payer; but if these are wanting, in drafts on London at ten days. Exchequer bills are chiefly used, the Bank of England notes being only used to pay the fractional parts of £1000. The sum of £400,000, in exchequer bills, is apportioned among the nine bank associated; and it is agreed that this whole sum shall be kept in the circle, by each one keeping up its proportion of the allotted amount. The process of clearing is simply charging on the clearing-books each bank with its own debts, and crediting it with its own credits. Each has a large amount to pay, and a large amount to receive, and a balance to pay or receive. This clearing includes not only all the mutual claims arising among the banks, by drafts, collection of bills of exchange and promissory notes, deposit receipts, and checks, but also the claims arising to each bank upon the notes of the others received in the course of business. The clearing and payment of the balances completely adjusts all claims twice in each week; the whole mutual indebtedness, however, of the Scotch banks does not enter into this clearing. The banks in any one town or city generally settle among themselves, and give four days' drafts on Edinburgh.

It is a striking feature of the Scotch system, that it not only dispenses with the precious metals to a remarkable degree, as a matter of economy and facility, but also of bank-notes to a very great extent, as other facilities can be found which are superior. It is estimated that the ordinary deposits in the banks in Scotland amount to £30,000,000. If the whole sum is moved but once each week, it effects the enormous sum of £1,560,000,000 of payments in a year. The whole bank-note circulation of Scotland seldom exceeds £3,500,000, or only one-ninth of the deposits; whilst the circulation of the Bank of England is generally larger than its deposits. The superiority of the Scotch system is fully shown in this double economy of coin and notes. That this economy is the result of their system of management is apparent from the fact that banking is free, and that there was no restriction upon the issue of notes until the Act of 1844, which only restricted them to the amount shown to be required by their business on the average of several years.

In England, coins are used for payments below £5; in Scotland, £1 notes form over two-thirds of their currency; and yet, in Scotland, the whole circulation of notes is not greater, in proportion to the population, than in England. It is now not far from one pound to each person; but

if £1 notes were issued in England, it is believed that £30,000,000 would be quickly taken into the circulation, which would make two pounds to each person. It is rather rare to see gold coins in Scotland; their £1 notes almost supply the place of sovereigns. That the people are, in this respect, well satisfied, is apparent from the steady determination with which they defend their one-pound currency against the jealous attacks of English currency-mongers.

The superior working of the Scottish banking system, whether judged by its history or its present position, and however reluctantly the admission may be made, is incontestable. But few failures of banks take place in Scotland, and these have, for the most part, been disastrous only to the stockholders. The banks of Scotland have never inflicted any heavy losses upon the people; they have never, directly or indirectly, spread disaster and ruin over the whole community in which they are placed; they have never contracted their issues so rapidly, as seriously to injure their customers; they have never suffered any general discredit, by which their notes have been thrown back upon them, to the injury or the cessation of business from impeded circulation. When the Bank of England was obliged, in 1797, to throw itself upon the protection of the Government, and accept from the Privy Council an order not to pay specie, the banks of Scotland asked no such order, and made no change in their mode of business. Yet there was no run for gold upon the Scotch banks. This is fully acknowledged in the Report of a Select Committee to the House of Lords, in 1826.

IX. *The Bank of Genoa.*—There were private bankers of two kinds in Genoa previous to, and after the establishment of the Bank of St. George. One kind confined their business mainly to transactions connected with the public revenue and finance, and to dealing with public officers. The other carried on such general banking business as receiving money on deposit, changing money, lending money, &c. These were placed, by law, under very strict regulations. They were required to take an oath to fulfil faithfully the duties of their profession. They were sworn not to abrade or clip coins, directly nor indirectly, nor to keep young persons in, nor allow hangers-on about, the bank; to write down immediately all money deposited with them, by whom, and to whom and at what time payable; to refuse to exchange false money, and to inform upon all persons offering suspected coins. They were to make known whether the bank was the property of one or many, and if there were partners, to make their names known at the office of a Tribunal of Commerce, before which they were to enter into obligations to comply with the law of banking, and pay all penalties. The name of each partner was to be posted up in the bank, and the amount of his interest.

Early in the 15th century, murmurs arose among the people of Genoa in regard to the financial position of the country. After several years' complaint, a commission, or committee of eight were appointed, in the year 1407, to report a plan of reform. The commissioners were men who enjoyed the confidence of all parties. They found various bodies of compere, or public creditors, each holding their own securities, and making altogether an injurious complication. The commissioners, after consulting with the classes concerned, determined upon paying off the whole public debt, and a resumption of all grants and securities. To effect this, they proposed to

issue shares of 100 lire each, in sufficient amount to pay off the whole, so far as the holders could receive payment. To the shares thus issued were added some banking privileges, and they were to be secured by the re-assignment, on the part of the republic, of such part of the customs, revenues, taxes and property before held by the compere, as were deemed adequate, to be enjoyed by the House of St. George upon the same terms and privileges, and with the same rights and remedies, which accompanied them in the hands of the compere. The number of shares to be issued were 4,767.

The Bank of St. George was established in pursuance of the recommendation of the commission, a further loan was effected by the republic, and the measure appeared to find full favor with the people. The government had, by this measure, succeeded in reducing the interest payable upon the public debt to seven per cent.; any overplus collected from the revenues assigned, were payable to a sinking fund (*Code di Redenzione*). The creditors had previously realized nearly eight per cent.

The Bank of St. George was as watchful of its special interests as its predecessors, the compere: besides the general provisions by which it enjoyed largely their ancient powers and privileges, it obtained not less than nine further concessions during the first century of its history, and among these a most distinct and full exemption of bank shares and deposits, from all attachment and confiscation for any public or private claims, upon any pretence whatever. The organization or government of the bank became complicated to a degree even far exceeding that of the compere. The rage for system and regulation was carried so far, that when, upon an extraordinary public emergency, the bank made a great effort to assist the republic with money, it resolved to pass three annual payments of interest: very little was left for the future in the arrangement of the business. The three years' interest were each postponed three years, the first year omitted being payable on the fourth year, the second on the fifth, and the third on the sixth. A new account for these deferred dividends was opened with the shareholders, and they were duly credited with each dividend payable at the time fixed. These past dividends soon became as salable as the shares of the bank, the interest being deducted according to the time they had to run to maturity. In this way the bank received them for all taxes and dues, and the shareholders suffered only the loss of the interest on their dividends, but enjoyed the advantage of a credit for three years' income, which, if need required, they could turn into money at only the discount of current interest. Upon the occasion of this measure, the ecclesiastical shareholders alone hesitated to give their consent: they could not, being, we may suppose, for the most part in the position of trustees, give their assent without wounding their consciences; and application was made by the bank to Pope Calistus III., who kindly authorized the measure, accorded the delay asked for by the bank, and saved the consciences of the hesitating.

X. The Credit System.—The importance of the credit system may be estimated from the fact, that in Great Britain and the United States more than 95 per cent. in value of all the payments of business and of trade are effected by its means. The credit system is employed with effect wherever civilization extends; and it may be added, in not very far from

the proportion in which civilization prevails. It deserves, therefore, not only to be studied, but to be understood in its most simple elements, as well as in its most extensive ramifications.

The credit system could not exist for a day, but by the aid of a money of account. It can dispense with the use of the precious metals to a very great extent; but it cannot operate at all but through the agency of a money of account. During the suspension of specie payments in Great Britain, between 1797 and 1822, the entire payments of the country, in all transactions above the merest retail trade, were made under the operation and by the devices of the credit system. Money was not employed in any large payments. Even balances were paid in notes of the Bank of England, by law a legal tender in payment of all debts.

This writer thinks that if the thick veil which covers the various workings of the complicated mechanism of credit were torn away, it would reveal a spectre which would horrify those who look no deeper than the surface of things. Doubtless, the rending of this veil would display some things which would horrify; but it would also reveal the power, beauty and efficacy of the credit system, and show what a mighty fabric is thus built upon human confidence and commercial honor; it would show that the losses and abuses by this system bear, after all, a very minute proportion to the vast amount of transactions effected by its means. The economy of the credit system covers, many times over, all the injuries suffered. The great effort should be, not to break it down, but to prevent its abuses, and improve its processes. The credit system will be as solid and reliable as any thing human can be, when properly organized and protected. Nothing in Scotland has been more free from fluctuations, nothing connected with their institutions, political, social or religious, has been more firm, in every aspect, than their banking, the chief instrument of their credit system. It is because the working of the mechanism of the credit system is not seen, that it is not more fully confided in and appreciated. Its operations are so vast, that, to many who do not look below the surface, they appear inflated and hollow, because they cannot conceive how such immense sums can be paid without money. This apparent inflation and hollowness disappear, when it is considered that it is nothing else than making commodities pay for commodities—enabling men to use their credits in paying their debts. In their mutual dealings, men may have transactions to any amount; their business may require and adjust the whole on their books of account: these dealings might be regarded as imprudent, if all had to be paid in gold or silver: their transactions might appear inflated, hollow and dangerous, if brought to the criterion of their ability to pay in coin. But, in the simple mode of payment they adopt, their payments are as good as gold or silver could make them. There is no good reason, then, for the allegation, that the bank currency of Scotland is only a succedaneum—a preliminary step in the progress to more substantial wealth. The time can never come when Scotland will introduce a gold currency in place of paper, on account of her increased wealth. If her wealth were tenfold what it is now, it would still be the best mode of effecting the same objects: the Scottish people have now tenfold the wealth they possessed a century ago, yet they show no disposition to lay aside the simple, economical and sure processes of their banking system. It matters not to what low rate interest may fall, in the future abundance of accumulated means, so long as what

is purchased must be paid for, so long as men give mutual credit for mutual convenience, so long as the payments of trade are as now mainly separated from the movement of the commodities, so long the Scottish men of business will find it for their advantage, and for the benefit of the whole country, to avail themselves of the facilities furnished by their banks, and of the working of the credit system. The wealth of Scotland is now as secure as that of any country; and this free use of credit, more than any other thing, has contributed to this result. Its advantages will neither be overlooked nor surrendered for any possible use of gold or silver coins—articles which the Scottish people will never purchase or retain largely, simply because they are very expensive; and they have learned to make their exchanges of commodities and mutual services without them.

XI. *Rates of Foreign Exchange.*—There is another abuse of our foreign exchange which has prevailed of late years upon quite a large scale, with results very injurious to the regular course of business. The practice originated in the days when sailing packets required an average of a month to make a passage to Liverpool, and before steamers and telegraphs had lent their aid to commerce, of drawing bills upon European correspondents at sixty days, without interest. This practice, like that of quoting the pound sterling at \$4.44, under a law of 1799, is still absurdly continued. Now, when the mails, and parcels, and gold itself, go to Europe in from ten to fifteen days, the continuance of this long exchange has become a source of positive mischief. All who are acquainted with the manner in which the importation of foreign goods is conducted in the United States, know that it has, in a large degree, fallen into the hands of foreign houses. The *ad valorem* system of 1846 has contributed mainly to this. There has long been a disposition, on the part of foreign manufacturers, merchants and speculators, to make our markets the receptacle of the surplus not merely of foreign production, but of all the foreign markets. The temptation was great on two grounds: our people were extravagant consumers, and by sending commodities here they saved their own market from breaking down. When, in addition to this, they were made, by the *ad valorem* appraisement, the valuers of their own goods, they had the strongest inducements to sell goods here not in active demand at home. Double invoices were freely used and tendered, not only to merchants, but to all persons bringing goods from Europe. This system, however, involved some risks, and occasional serious losses, and has been nearly superseded by another system of evasion. The foreign manufacturer now sends here a clerk, or agent, or partner, who becomes forthwith an importing merchant. The goods to be imported are invoiced to him at cost, without any perjury, or other evasion of law. The goods are sold in our market for the highest price which can be obtained; and the whole proceeds, profits and all, less only the expenses of the agent, are remitted to the foreign concern in specie, or by bill, according to the state of the exchange. This system invites large importations, because the foreign manufacturer is virtually the importer; he reaps all the profits, and foreign labor is proportionably encouraged. It brings, also, a much more formidable and serious competition against our manufacturers, because the goods brought here against them are produced where wages, and interest, and many articles of raw materials, are at half, or less than half, the rates prevailing here. The sixty day bills on Europe

are found to be a powerful incentive to this anomalous mode of importation. These foreign agents, clerks, or partners become sellers of bills of exchange. For this purpose the foreign house to which they belong has only to introduce them properly, and pay promptly the bills thus drawn. In this way these houses can raise money in New York to any extent necessary, not only for the payment of duties, but also to be remitted in the shape of bills purchased, or specie, to their establishments in Europe, to assist in the manufacture of goods to be sent here. If the specie is sent over, the use of the money is thus obtained for some forty days without interest, and the operation may be repeated, and a large accommodation secured: they find it easier to raise money in the New York market, where interest has ruled from seven to ten per cent., than in Europe, where it has ruled from three to five per cent.

We have reason to believe that this process has carried—and if no change occurs in our policy, must continue to carry—large quantities of the precious metals from the United States. It furnishes a strong motive to remit by specie, instead of by bills of exchange; because the specie, when it arrives, is cash in hand, and not a bill with forty days to run. Thus we often see gold shipped in large sums, when the state of the exchange scarcely seems to justify it. These foreign houses are so many agencies for drawing money from the United States, and transmitting it to Europe to aid in building up establishments there, which, without this help at our expense, have more than power enough over our industry and our laborers. The effect is to raise interest here, and to reduce it there; to disturb our currency, and render their own more safe; to make our money market hard, and their own easy.

Of all this, it is not difficult to see the mischief, the injury sustained by our industry, and by our currency: what is the advantage? We have importing merchants enough to secure us from any want of foreign goods, without this ample license to foreign houses, manufacturers, and merchants. This influx of foreign agencies comes chiefly from France, Germany, and Belgium.

XII. Bank Deposits.—The bank deposits are the grand receptacle of all the funds not needed for immediate use, and of the large sums required for the heavier payments of trade. Being composed chiefly of credits granted upon the discount of commercial paper, they do not spring from gold or silver, they do not turn into gold or silver, they do not represent gold or silver: if they may be said to represent any thing, it is the value of the merchandise, the sale of which upon credit has given existence to the mass of both, bank-notes and bank credits. The operation of deposits is like that of bank-notes, both direct and circuitous. The gold or silver which is deposited in banks to credit of him who transfers his ownership by check continues thus to circulate, until the amount or the equivalent is withdrawn or paid to the bank. So the credits granted upon discounts of individual notes may be transferred without limit from one to another, each time making a payment, until absorbed by the constantly recurring demand of the bank upon its customers. Nine-tenths of the amount of the deposits in our banks consist of their own notes, and of the credits granted as above; yet all blend into one common mass, and effect the same results as if the whole deposit had been gold or silver.

The successful operation of this most efficient of all the means of payment is not dependent upon the actual employment of the precious metals, coins, or bullion. It neither excludes nor requires them. A merchant who pays, in this way, to the amount of half a million yearly, may not, altogether, have deposited a thousand in coins. The amount to his credit is constantly growing by receipts, as well as diminishing by payments. The result at which he aims, and which he effects, is to apply, in the progress of his business, the proceeds of his sales to the payment of his purchases; to set off his credits against his debts. Where the creditor and debtor are depositors in different banks, the debts are paid with equal facility, their payments merely leaving matter for adjustment between the several banks.

XIII. *Origin of the Clearing-House.*—The vast accumulation of payments in London led the private bankers, in whose hands the business, or a large proportion of the business was concentrated, to adopt a plan for economizing the use of bank-notes, for saving time and trouble, which may fairly claim to be one of the highest exhibitions of the power of the credit system. The country merchants and bankers who made and received their payments in the metropolis, kept their accounts with these private bankers, many of whom had thus committed to their keeping very large sums of money. A great average balance remained in their hands, the use of which was one of their principal sources of profit. As no firm with more than six partners was allowed to issue bank-notes in London, these bankers never felt themselves able to compete with the Bank of England in that department of banking: issuing no notes of their own, they used only those of the Bank of England, when their payments required the use of notes. They all kept accounts with their customers, and immense sums were daily paid by checks and transfers on their books. They paid out, when required, for these checks the notes of the Bank of England; and were, of course, obliged to keep a supply constantly on hand for that purpose. These bankers, besides having to pay out bank-notes on the order of their customers, found themselves daily indebted to each other in immense sums accruing from the system of concentration which has been noted. Each banker was daily receiving from his country correspondents drafts and bills for collection and discount, payable at the counters of other bankers; and all were thus daily subjected to heavy demands from each for the amounts of these drafts and bills.

Mr. Thomas, one of the inspectors of the Clearing-house, stated before the bullion committee, in 1810, that the average payments effected daily in the establishment amounted to £4,700,000, and that the average daily amount of bank-notes required to pay the balances was £220,000, but sometimes the balances were equal to £500,000. On settling days at the stock exchange, the amount of payments at the Clearing-house was stated to reach £14,000,000. If we take the former sum, £4,700,000 (\$22,500,000), as the amount more strictly belonging to commerce, we have a weekly payment of \$135,000,000, a monthly payment of \$586,000,000, and a yearly payment of \$7,040,000,000; and all this effected with the use of less than five per cent. of the amount in bank-notes. The Clearing-house had then been in operation for thirty-five years, and during the twelve years before 1810, the immense payments above indicated had been made without the use of gold or silver, or any metallic money of any kind, and by

the aid, for payment of balances, of bank-notes not redeemable in coin; or bank-notes not redeemable in any thing, and only receivable at the bank whence they were issued in payment of debts, or on deposit. All these great payments were in addition to those effected at the Bank of England, at the counters of the private bankers, and by the aid of bank-notes out of doors in the current payments of trade, and those made on account of the public treasury. It is probable that, in the year 1810, these together exceeded the amount acquitted at the Clearing-house many times; perhaps not less than \$75,000,000 were then daily paid in London without the use of gold or silver, or bank notes exchangeable for these metals.

The business of the Clearing-house has not, we believe, increased in proportion with the increase of the general business of England. The deposits of the Bank of England now generally average £20,000,000. If these deposits were moved on the average once in each week, which is not a violent presumption, as immense sums change hands several times in a day, this would make the payments at the bank over £1,040,000,000 for the year. It is, perhaps, equally safe to say that, in all other banks, an equal movement of deposits takes place in the current payments of business; the two sums making the vast amount of £2,080,000,000. This added to the yearly payments of the Clearing-house, makes a total of £3,000,000,000, equal to \$1,440,000,000,000. The working of the deposits in Scotland and Ireland would greatly increase this vast aggregate.

XIV. *Treasury Notes.*—Treasury notes, in denominations from five to one hundred dollars, payable upon demand, issued under proper regulations and checks, would constitute the safest possible currency for the people of the United States. A hundred millions of such a currency would be absorbed much more rapidly than it would be safe or proper to issue it; an issue only to be made in the gradual progress of a system well understood both by the officers of the treasury and the public at large. Yet the proposal to issue such a currency for the special benefit of the people, who are regarded as having suffered, and as still suffering, from the evils of banking, would be treated with disdain. Large treasury notes, for those who have money to lend, are deemed admissible and proper in national finance; but the subdivision of these notes, with the view to their becoming a general convenience and security, would be opposed with bitterness, as approaching one of the functions of banks of circulation. This morbid jealousy of banks is not merely absurd; it becomes a blunder, when carried to the extent of preventing even the consideration of measures of finance bearing some resemblance to the processes of banking. In France, they are jealous of banks, and desirous of restraining the development of credit in that form; the government there, in the administration of a newly reformed financial system, exerts its power, shapes its processes, and employs all its opportunities to favor the operations of industry and trade, because it would, so far as it can, limit the power of banks, and remove the occasion of establishing them. Here the treasury merely provides for its own currency, its own receipts, and its own disbursements, leaving the whole field of industrial and commercial payments to the banks. The Bank of France is accused, by a late writer, of luxuriating in severity; and the government therefore affords all the alleviation possible within the range of the operations of the treasury: here, where the banks are even objects of the severest

attacks on the part of those in authority, we eschew, in doctrine and practice, all sympathy, and refuse all assistance. The banks have multiplied here because there has been no effort to substitute any safer or better device of credit. The people have been offered their choice between a currency of the precious metals and a paper currency, and they have deliberately chosen the latter, in the face of innumerable warnings from the opponents of banks, both in and out of authority. The constant increase of banks proves, beyond question, that they are regarded by the people at large as an advantage, if not a necessity.

XV. *Money of Account.*—The reader is specially desired to notice that we are not, in this, bringing forward or recommending any new mode of reckoning or computation. We simply assert the matter of fact, that all prices, all books of account, all statements of sums of money, all bills of exchange and promissory notes, and all bank-notes, are expressed in money of account. All that is said or done with reference to money, where neither gold nor silver, nor other medium, is employed, is merely a use of money of account. If this be a fact in the mental habits of all civilized people, as we not only aver it to be, but that it cannot be otherwise, it is important to comprehend all its uses. We must accept the fact, if it be one, together with all its inevitable and all its proper consequences. The conclusions to be drawn from this fact are a separate consideration. There may be differences of opinion as to the deductions which may be drawn from, or the uses which may be made of it; but whatever these may be, we must not shut our eyes to a fact so important, the proof of which is so obvious and so indisputable, and the influences of which are in constant and active operation, whether we notice them or not.

Foreign Loans.—The London Correspondent of the Philadelphia *North American*, under date of February 11, says: "The English Money Market has been unquestionably affected by the Continental situation, but it is certain that the fluctuations have not been very violent, though there may have been anxiety and concern displayed. Money is still plentiful, and discounts are ready to hand at $2\frac{1}{2}$ and even 2 per cent. Money cannot, indeed, find employment, although, judging from loans likely to be thrown on this market, some enormous amounts will be required. In addition to the Austrian Loan, there is the Sardinian Loan of two millions, to favor the movement of which Count Cavour spoke, on Wednesday, warmly of the English alliance. There is also a Russian Loan coming, and undoubtedly a French one, which are likely to tempt English capitalists. There looms an Indian Loan of from \$40,000,000 to \$60,000,000, more about which we shall know when the Indian Finance Statement is made, on Monday next. A Peruvian Loan of \$50,000,000 is to be at once introduced, and several other matters of a similar kind, so that a large amount of the surplus capital of England will be absorbed. But its resources were never firmer or more sound. Between the present and January next, annuities and long annuities, life annuities, tontines, &c., will become extinct, saving the country no less a sum than £70,000,000; so that in the event of war, England could at once raise, without the increase of a single farthing's taxation, \$350,000,000. The Funds are quoted at $95\frac{3}{4}$ to $\frac{1}{2}$, but they improve or decline as the Paris Bourse varies, though without falling to any extent. The Government broker continues, as he has for some time past, to purchase \$100,000 Consols per diem, and sustains them to a certain quotation, in spite of adverse reports."

BANKING; ITS UTILITY AND ECONOMY.

BY THOMSON HANKEY, LATE GOVERNOR OF THE BANK OF ENGLAND.

On Monday, the 29th December, 1858, Mr. THOMSON HANKEY, M. P. for Peterborough, delivered the following lecture to the members and friends of the Mechanics' Institute, on "Banking; its utility and economy." The lecture was delivered in the Wentworth Assembly-room, which was filled by a very numerous and respectable audience.

BANKING is trading in and with money—buying, selling, exchanging, receiving, and paying money—not money's worth, not goods, but money in some shape or form—that medium which is used in all civilized societies for denoting a certain exchangeable value, and thus rendering as simple and as easy as possible the mutual exchange of all the commodities required for the use of mankind.

In considering the advantage and economy derived by society from a system of banking, it is, I think, of essential importance to bear in mind this very general definition, because it is by no means unfrequently supposed that bankers possess great powers of adding to the existing wealth of the country by augmenting its capital—powers which cannot properly be attributed to them without a risk of leading to much confusion of ideas on the subject of capital. I would take this opportunity of stating what I mean when I use this word capital, and at the same time explain in what way I shall use the word currency. The first I shall use as meaning any and every kind of accumulation of useful and exchangeable property; and the second I shall use as meaning money in its ordinary sense, whether bank-notes or coin of gold or silver. I do not wish it to be understood that I consider as unimportant a discussion as to what ought to be the precise definition of either of these words, or whether they are clearly explained by Mr. MILL or other eminent writers on this subject, but I give these two general explanations of my own meaning, as believing them to be sufficient with reference to the more immediate object for our consideration to-day.

I have already said that banks are supposed to have a power of creating capital; because bankers are constantly making loans of capital, or of credit, which is very frequently used as a substitute for capital, they are therefore very frequently supposed to be able to create it, and that by the loans they may make, or by the credit they may give, they are thereby adding to the existing stock of capital in the country. *Now it should always be borne in mind that no fresh capital can be obtained by any country, excepting from the same source from which all capital is originally derived; namely, the excess of income, or production, or acquisition, over consumption or expenditure.*

In a primitive state of society, where the community consumes immediately, or presently, all the produce of its labor, there can be no such thing as capital. All the community may be in a happy and comfortable condition, but so long as this state of things continues it never can be possessed of capital. When, however, the same community, or any part of it, desires and finds it possible to lay by a part of its produce, that is, to con-

sume less than it produces, such surplus becomes capital; and assuming that such surplus is of a nature either fit for future consumption, or exchangeable for other goods, it is then found to be capital available for reproduction; but without possessing either of these two last-named qualities, no matter how large the stock of goods or gold, it is valueless. Having mentioned gold, I will merely here say, with reference to that particular commodity, that I know of no other metal which can be accumulated with less general capacity for usefulness than gold. Gold certainly possesses some merit as an article of merchandise, but if its use for coinage be set aside I believe that it is the least useful of any metal or mineral production. Now until the process I have endeavored to describe has produced some accumulation of property, which I call capital, no such trade as that of a banker can be required. If there was no such thing practicable as the exchange of goods, no bank would be found wanting to facilitate such exchange. Nor do I believe that the trade of a banker can be found to have existed before money was used as a general medium of exchange.

Referring to a recent publication of Mr. J. R. McCulloch, on Banking, I will beg permission to read the following extract:—

“The business of banking was not introduced into London till the seventeenth century. It was at first conducted by the goldsmiths, who lent the money lodged in their hands for security to government and individuals. In the course of time the business came to be conducted by houses who confined themselves to it only, and nearly in the mode in which we now find it. The trade or business of a banker has probably existed in all civilized countries in all ages. The bankers of Greece and Rome exercised nearly the same functions as those of the present day, except that they do not appear to have issued notes. They received money on deposit, to be repaid on demands made by cheques or orders, or at some stipulated period, sometimes paying interest for it, and sometimes not. Their profits arose from their lending the balance at their disposal, at higher rates of interest than they allowed the depositors. They were also extensively employed in valuing and exchanging foreign moneys for those of Athens, Corinth, Rome, &c., and in negotiating bills of exchange. In general they were highly esteemed, and great confidence was placed in their integrity. The rate of interest charged by the bankers was sometimes very high, but that was not a consequence, as has been alleged, of their rapacity, but of the defective state of the law, which, as it gave every facility to debtors disposed to evade payment of their debts, obliged the bankers to guarantee themselves by charging a proportionately high rate of interest. In modern times the business of banking and exchange was, for a while, almost entirely engrossed by the Jews and the Lombards of Italy.”

It thus appears that in every country where money was in use, there the trade of banking seemed to follow as a natural consequence. According to the commonest principles of the economy resulting from division of labor, wherever money came into general use, there banking became a common trade, in the same way as the trades of butchers and bakers, all found equally useful in their respective ways for the distribution of all articles of consumption in the most easy and in the most economical manner. Banking was the channel into which money passed almost as an article of commerce, the mode by which the money, not immediately required by one individual, found its way to be used by another: the

banker thus appearing to act, and really acting, in the double capacity of borrower and lender; but in neither case was he a creator, but a mere distributor of capital, any more than the baker or the butcher performed any other functions than that of distributing the articles in which they respectively dealt, and thus contributing to the general wealth of the community by the economy of time and money effected by this general system. Thus if twenty individuals each required a capital of £1,000 and an occupation of thirty days' labor to enable them to carry on any certain amount of business without employing the services of bankers, butchers, or bakers; and after the establishment of these trades the same individuals found that they could effect the same amount of business with capitals of £500 each, and with an employment of only twenty days' labor, there would be a saving to the community of £10,000 capital and ten days' labor, both available for reproduction or profitable use in some other mode. But I must again remind you that in all these cases neither bankers, butchers, nor bakers were the creators of capital; they were merely the economic agencies for the saving of capital already in existence, and rendered thereby capable of being again more rapidly brought into use, for *purposes of reproduction*.

But here perhaps some of my friends may be disposed to say, oh, we understand all this very well when you are alluding to the business of a banker merely as a receiver of deposits and payer of money belonging to other individuals, but surely the same remark is not applicable to a banker who makes and issues bank-notes; the banker who is able to keep out an issue of £10,000 of bank-notes in a district where scarcely a bank-note was to be seen previously, has surely created an additional working capital of £10,000.

As some idea of this nature is by no means an uncommon one, I must beg your attention for a few minutes whilst we consider this branch of our subject somewhat carefully. In the first place, let us try and find out how a banker is able to issue and keep in circulation an amount of £10,000 bank-notes. He may discount bills of exchange, that is, he may substitute his own promissory notes for promissory notes or bills of exchange, both of which are engagements to pay so much money at a distant or deferred period; or he may buy goods, that is, obtain the goods or property of some one else, and give his own promise to pay whenever called upon for that purpose; or he may make loans in his own notes, that is, give his own promises to pay on demand in a manner which will enable the borrower to obtain capital or goods from some one else. In the second place, a banker can hardly succeed in persuading people to hold, as if they were holding gold, his promissory or bank notes, unless it is generally supposed that he is a man of property, or, in other words, possessed of capital; but in none of the ways I have pointed out just now, does he augment that capital which he already possesses, although all of them may be modes by which he may be enabled to make a very profitable use of it, and consequently, if he is a provident man, may enable him to become a richer one.

The bill of exchange which the banker has obtained by discounting, is not capital, it is merely a bit of paper promising to pay an acknowledged debt at some future period. The loan of bank-notes he may make, is not capital, it is merely a promise to pay. The goods he may buy or enable some one else to buy, are not necessarily more valuable by this operation

of purchase, and therefore with respect to them, there is no increase of capital. Investigate the question in what way you like, you will, I am sure, come at last to the conclusion, that no issue of bank-notes is an increase of capital, although by their means, as well as by a great variety of other banking expedients, the transfer of capital is greatly facilitated, and thereby great convenience and great economy ensues; and here let me again give you a quotation from Mr. McCULLOCH's work, to which I have already referred, and I give this extract in support of the opinion I have just expressed:—

“Though banks afford a valuable assistance in the collection and distribution of capital, it must not be supposed, as is often done, that they have any direct influence over its formation. That is the joint effect of industry and economy—the former in producing convenient and desirable articles, and the latter in saving and preserving them for future use. Credit is neither more nor less than the transfer of money or other valuable produce from one set of individuals called lenders, to another set called borrowers—a transfer which is greatly facilitated by the establishment of banks. And as there can be no reasonable doubt that those who borrow have, in the majority of instances, better means of employing capital with advantage than those by whom it is lent, its transference from the one to the other, will, in so far as this presumption is realized, be publicly advantageous. But this is the entire extent of the beneficial influence of what is called credit; and when it happens, as is too often the case, to divert capital into the pockets of knaves and gamblers, it is disadvantageous.

“No doubt we frequently hear of great undertakings being carried on by means of credit; but such statements are entirely false and misleading. They will, indeed, be uniformly found, when analyzed, to mean only that the undertakings are carried on by means of borrowed capital. Credit is impotent to produce any thing whatever. It is in fact a mere name for the trust reposed by a lender in a borrower. To call it capital is as much an abuse of language, as it would be to call weight color, or color weight. It may transfer money or produce from A to B, or from C to D, but that is all that it either does or can do. When credit is said to be high, nothing is really meant save that those who have money or capital to lend have great confidence in the borrowers, and conversely when credit is said to be low.”

Before proceeding further, I should like to qualify, for fear of being misunderstood, what I asserted about a bank not adding to the capital of the country by issuing notes. If the banker can induce people to take his notes, and they are not speedily brought back to him for payment, he is able, undoubtedly, to employ a certain portion of his own capital, or of the capital of others which he may have received in exchange for his notes, in some reproductive manner, and to that extent he will really have obtained the use of fresh capital, or rather be enabled to employ capital profitably instead of unprofitably. The less money which may be required to be kept for use in a country, the greater the amount of capital which may be kept in a reproducing state, for all money is unproductive capital. This last assertion may perhaps appear somewhat striking and questionable. I will, therefore, again ask your permission, as I did a short time back, to consider the matter with a little attention; and in order more clearly to explain my meaning, I would call to your recollection the way in which money is first brought into circulation or use.

We all know that, in the earlier stages of society, little or no money could have been required ; by degrees as surplus means above expenditure, with a power of using or exchanging that surplus, created capital ; and barter, or exchange of one description of goods for another description, began to be in common use, a defined standard as a medium of exchange was found highly desirable : bartering without some such medium was a troublesome and expensive process. When goods, however, were first sold or exchanged for money, if the seller who found himself thus possessed of money in exchange for goods sold, entered into another transaction immediately by which he paid away all the money he had previously obtained, he found himself in his original predicament of being without money, although he might be largely possessed of other property ; and in order to avoid this in future, and to enable him to carry on his trade more conveniently, he puts by a certain amount of money, which he may have placed in the hands of a banker, if he liked, for safe custody ; but whether in his own possession, or in that of his bankers, so long as it remains in the shape of coin, however important to him to possess it, it is perfectly unproductive.

Now if I have made myself intelligible in thus endeavoring to explain my meaning, you will, I think, agree with me that gold and silver, when in the shape of coin or money, is unproductive capital, and, therefore, the less there is of it lying in that state, the more advantageously the capital of the country may be used. I say particularly *may be*, for I should be very sorry to be supposed to undervalue the importance of having a large stock of this, though unprofitable capital, at all times in the country. Without at all undervaluing the advantages of the greatest extension of banking expedients (which are all of them founded on the principle of credit), I am quite convinced that we should purchase them all a great deal too dearly if we ever allowed such an extension of credit, either through bank-notes not based upon necessity to pay them immediately on demand in gold, or any banking expenditure to be accepted as a substitute for a commodity like gold, which is of well-known value in every part of the globe.

I hold it, however, to be quite consistent with this principle to resort to expedients by which much less capital is allowed to remain in this unproductive or dormant state, than would be the case if banks did not exist to facilitate commerce by the rapid distribution of capital whereby all parties are greatly benefited throughout the country. And now, having dwelt perhaps at too great length than was necessary on what a banker cannot do, let us turn our consideration to the question of what he can do, and how all this economy and utility is brought about.

The great object effected by banking, at least certainly as carried on in this country, is to promote economy of capital, and to afford great convenience for carrying on our daily transactions between man and man. And let it not be supposed that it is a trade beneficial alone to the richer part of the community who have money more frequently, and in larger amounts, passing through their hands. There is not a man in this country, however poor, who is not interested in this question ; every tradesman is able to carry on his business with greater economy, and to trade on smaller, because on well ascertained or rather on more reliable, profits, by the facilities afforded through banking in the purchase of the material from which he makes by labor an article generally required by all classes. The

dealer in cattle, in wool, in coals, in wood, in short every thing, finds additional facilities for carrying on his trade, either afforded directly or indirectly by banking; and the poorest man is enabled through the same cause, though perhaps, somewhat more indirectly to appearance, to obtain the articles he must purchase in the most easy and economical manner. If this is not very perceptible to the comprehension of every one I am addressing, let him only think what would be the injurious alteration that would affect every description of trade if we were compelled to resort like our ancestors to a system of barter, exchanging directly goods for goods—or even under a system without credit, by which every man was compelled to keep by him money to pay for all that he might find necessary for the supply of his daily wants.

However general has been the use of banking as a trade amongst the ancients, I do not believe that the separate trade of a banker was in existence before the beginning of the last century. It is true that the Bank of England commenced business under a royal charter from king William III., in 1694, but it was then principally used both at its commencement and for many years subsequently for government purposes. It was not until the middle of the last century, or about 100 years since, that it assumed or performed any important part, as it now does, in facilitating operations of trade of all kinds in this country. I think that I can hardly afford you a better illustration of the essential use of the trade of banking than by showing you what is done in the largest banking establishment in England, reminding you that what is going on daily at the Bank of England is merely a concentration of what is going on in a small scale in every town, and in almost every village in England. The increase of business of this nature is strongly marked by the fact, that whereas in the years 1750—I believe that is the year I have taken note of—the average daily receipts at the banking department of the Bank of England were about £180,000, in the year 1857 I find that in the same department the average daily receipts were about £3,500,000; and I have no reason to doubt that the banking business throughout the whole country has increased in a like proportion.

The Bank of England.—Now let me endeavor to describe the nature of the general business carried on at the Bank of England. The business may be considered as of a three-fold nature, and even one of these three parts might be again sub-divided, but I will consider them as consisting of three great departments:—

1st.—Is that of the management of the National Debt.

2nd.—Issue of bank-notes.

3rd.—Government and private banking.

I hope I shall not weary you if I describe the business of each of these three departments in detail. First, then, the management of the national debt. No one would be willing to lend money to a government without either a positive engagement for the repayment at a fixed time, or without an easy and well adapted arrangement by which the lender could transfer the engagement, of whatever nature it might be, either for payment of principal or interest, or both, to any one willing to purchase it of him, and thus obtain a return of his money, if he required it, or of so much of it as the engagement of the government to pay a certain fixed rate of interest might be considered to be worth, at the time he might wish to realise or sell. For this reason it has always been made a condition in

every loan obtained by the government that such facilities should be given to the lenders, or what has been commonly called the takers of the loans; and in this country it has been required as a condition in every loan made by our government, that the same shall always be transferable, and that the dividends or interest shall always be paid half-yearly at the Bank of England; and the certainty of the fulfilment of this condition has been one of the elements which has rendered the government stocks of this country at all times a favorite security for investment.

I am not stating this as a ground of peculiar merit due to the Bank of England; had that establishment not been formed, doubtless some other similar machinery would have been contrived by the government, or they would not have been able to borrow money on such favorable terms. But, I think you, from what I am now about to state, will easily see that the present service rendered by bank agency in this way is no unimportant one. The whole amount of the national debt is £735,000,000. Now this is subdivisible into any number of accounts, with only one limit—that no one is allowed to have a smaller account than the amount of one penny—but with this sole limitation, any person whose name has once been inscribed in the bank books may sell all, or any part, at almost any time, except just before the payment of dividends, and can almost immediately, without any charge being made to either seller or buyer by the bank, transfer it to as many different people as he may have chosen to deal with through his stock-broker.

The introduction of this stock-broker is only necessary to give some security to the bank as to the person being really the party he may represent himself to be, or in other words, merely to prevent fraud. Now of these accounts on which dividends are paid half-yearly, there were the last time I inquired on the subject about 270,000; but if more persons desired to invest their money in these securities, there is no reason why the number of stock accounts might not be multiplied ten-fold. No matter how many the separate accounts, the bank is bound to keep them without any increase of payment from the government; and on every account a separate order, or what is there called a "warrant," is made out every half-year for the payment of dividend, from which a separate deduction has to be made for income tax, which latter the bank pay over in one gross sum at each half-yearly payment of dividends to the government. The dividends are paid to anybody applying two days after the days on which they become nominally due; these two days being reserved for delivering dividend warrants, for which the stock-holders have given powers of attorney to their bankers or agents in London, who in this way receive out of the present number of 270,000 accounts the dividends on about 180,000, and all these dividends are received by bankers and others, are transmitted or advised, on the same day on which they are paid by the bank, by that night's post to all their customers; so that on the same day every stock-holder in Great Britain may either receive his own dividend on his own stock, or he will hear that his banker has received it, and has either transmitted him the amount, or has followed some other direction as to its appropriation.

And now I think that you would be puzzled to contrive any other kind of machinery than a bank by which all this facility for receipt of dividends, and for transfer of stock could be managed. I ought to add that the title to every particle of stock is given on the responsibility of the bank; and

although it were transferred under a forged power of attorney, no question can ever arise affecting the right or title of the holder when once the stock has passed into his name; and when I also say in addition, that it is a very rare occurrence for an error of one penny to arise in the whole number of transfers made and dividends paid by a vast number of clerks throughout a whole year, I think you will be willing to admit that the business in that establishment cannot be very badly conducted. For all this business the bank receives a fixed payment from Government, which, though considerable, owing to the very large extent of the business required to be transacted, is, I have no hesitation in saying, smaller, and I believe considerably smaller, than it would cost the Government if the same business was undertaken by themselves. The amount paid by the Government to the bank for the management of the National Debt is at the rate of £340 per million for the first £600,000,000, and £300 per million for the remainder. This amounts now to about £250,000 a year.

II. *The Issue Department.*—The bank issues bank-notes to anybody bringing gold, or other notes requiring them to be exchanged. If to parties bringing gold not coined, the notes are issued at the rate of £3 17s. 9d. for every ounce of gold of standard fineness; that is, being twenty-two parts out of twenty four fine or pure gold, or in other words quite free from any alloy. Of the gold they thus receive in exchange for these bank-notes, the bank are permitted to invest as much as £14,000,000 in Government securities, and to receive the benefit of the interest; and all the remainder of the gold they are obliged to keep in their vaults ready for use when required. I ought to mention that in lieu of this treasure or reserve being in gold, the bank are permitted, if they prefer it, to hold a limited amount of silver, being one-fourth part of the whole of the gold and silver.

Now of these notes, about ten millions were issued last year; I mean that number of separate bank-notes, all of which were made into bank-notes within the walls of the bank, the paper being the only part made elsewhere. These bank-notes are generally issued to bankers, and in large amounts, most commonly in bundles containing 500 each; but when I tell you that every single bank-note has a separate entry when issued, in a book kept for that purpose; and that they are brought into the bank for exchange or payment in almost every kind of parcel, small and large, and that every note is, on its again returning to the bank, whether it has been out one day or twenty years, immediately entered in its proper book and place; and that all these books are daily balanced, so that the bank knows exactly, before the work of the day is closed, the total amount of bank-notes for which the bank is liable, I think you will admit that this department is not in a very defective state.

I ought to mention here that the Bank of England never re-issues its notes. As they come in they are laid aside, and kept a certain number of years, I believe ten, and then burnt. The whole number is not destroyed together, but at different times, and as many are burnt as correspond with the new notes issued. The profit derived by the bank in this department is about £100,000; that is, after having paid £120,000 to the Government for the privilege of issuing notes, £68,000 in lieu of stamp duty, and £170,000 for wages and rent, the bank receives a profit of somewhat about £100,000 on the transactions in this department of issue.

No. 3 is perhaps the most important of all, as it comprises all the

accounts kept on behalf of Government, for whom the bank receives every shilling of the income of the nation; as well as the accounts of a large number of public and private mercantile and other establishments; and here it is that the economy of banking can be most fully appreciated. The whole revenue of the Government arising from its daily receipts of customs, excise, post-office, taxes, stamps, &c., no matter whether received in London, Cornwall, the Hebrides, or Galway, finds its way almost immediately into the Bank of England, and is thereby rendered instantly available for the daily demands on the State. In all these transmissions scarcely a sovereign is used; the whole is effected by purely banking arrangements. The collector of Government may require to transmit £50,000 from Liverpool to London; but some private individual on the same day wants to remit £50,000 from London to Liverpool, through the Bank of England, or through some other bank; both transactions are carried out by the mere entry in books and the advice or instructions sent by the post.

The revenue is paid into the Bank of England at the rate of about £1,000,000 a week, that is, in ordinary times; a considerable portion of this is allowed to accumulate to provide means on each quarter-day for the payment of the dividends on the Government debt. Suddenly on those days five or six millions sterling is paid away by the bank to the public; but the difference as to the abundance or scarcity of money just before or just after the payment of this large sum is scarcely appreciable, so nicely do the ordinary operations of banking accommodate and render easy all these large transfers of money. And for all this business the bank receives no other remuneration but the use of the Government balances, which vary from "nil," the day after the payment of the dividend, until they accumulate to the amount required for payment of dividends; and if then there is not sufficient, the bank are expected to advance the difference, which is repaid out of the next accruing revenue.

And these remarks apply not only to the public banking department; the benefit and convenience are equally apparent if we look to the department for private banking. In this department every kind of banking business is carried on for ordinary private customers; his savings may be invested by the bank, and the dividend and interest of all kinds received for him and placed to his account; all the property he may keep in securities will be taken charge of for him, and he may keep all his cash and other securities in the same way as he would keep them at any other private banking establishment, and with all similar convenience as to receipts or payments in any way that may be required. If a large deposit is required to be made on account of a railway, if large foreign payments are required to be made abroad by the transmission of gold, every facility is given through the machinery of the existing system by which these large transactions are daily carried out without causing the smallest derangement to the ordinary trade of the country; or at least, if any derangement or inconvenience is experienced, it is doubtless in a very mitigated form, in consequence of the general prevalence of a good system of banking throughout the country.

I have just now been referring only to the general banking arrangements or business carried on at the Bank of England; the same remarks are applicable to the particular transactions of the other banking establish-

ments in London; in their aggregate they are far, very far, larger than those of the Bank of England. The average amount of deposits of all classes at the Bank of England seldom exceeds twenty millions. The amount of deposits at the Joint Stock Banks alone in London appeared, by the last general statement, to exceed forty-four millions sterling; and in addition to these joint stock banks, there are about fifty private banking establishments in London, many of them carrying on a very large amount of general banking business.

Clearing-House.—In no way, that I know of, can the extent of the general banking business of London be better exemplified than by the arrangements of the Clearing-house. To those who are unacquainted with the nature of the business here transacted, I would merely state that it is a house or large room to which almost all the London bankers send daily a clerk, charged with all the bills of exchange or cheques payable at any London banks, and which the bank sending the clerk may have received in the ordinary course of business from its customers, to be collected and placed to their respective accounts. Here in this Clearing-house a mutual exchange of all these bills and cheques takes place, and instead of every banker being obliged to provide money throughout the day for all these bills and cheques, which might be presented at his banking house, he had only to provide at the close of each day for the final balance that he owed, and which, through the arrangements of the Clearing-house, was distributed amongst the several parties to whom it was due.

Such was the system at the Clearing-house, and by this means, it is stated by Mr. BABBAGE in a publication on this subject, a settlement of accounts amounting in one year (1839) to £954,000,000 was effected by a total payment of £66,275,000 in bank-notes, or by about 7 per cent. of the amount which would otherwise have been required. So much for the banking economy up to the year 1856. In that year still further improvement was made in the arrangements of the Clearing-house; it was determined to settle all these balances daily between banker and banker by cheques on the Bank of England, and this has worked so well that I understand settlements of balances of accounts have been made daily in the year 1857, to the amount, during the whole year, of £130,000,000; thus, taking the same data as given for the year 1839 by Mr. BABBAGE, representing a total amount of transactions during the year 1857 of at least £1,900,000,000, and all this has been effected without the use or employment of one single bank-note or of one single sovereign.

Now this system of the London Clearing-house is only a sample and exemplification in wholesale of what is daily occurring in detail in every part of England, Scotland, and Ireland. The daily business of a banker, either in town or in country, is but a constant clearing or exchange of money or credit in some form between individuals. What would otherwise be done by one man wheeling a barrow full of bags of gold or silver to deliver to another man, of whom an estate or some other property had been bought, and the man receiving the gold in this way again sending it in a mass, or in various sub-divisions, to other persons to whom he was indebted and so on, is now effected through bankers, to be met with in Peterborough as well as in every town throughout Great Britain; no matter in what part of the kingdom a payment is to be made, the transmission is readily undertaken by any banker as a regular part of his business, and at very little

expense the whole transaction is effected, and generally by the mere entry in books, and as I have before said, one or more letters by the post.

Deposits.—The way in which money ordinarily finds its way into a bank is in the shape of deposits. Such deposits, though at the disposition of the depositor when he may desire to withdraw them, are nevertheless completely under the command of the banker whilst they remain with him, and whatever profit he may derive from the use of so much money becomes his own, and is a clear gain of profit to the country, if, at least, such money would otherwise have been kept in an unproductive state in the hands of the original depositor. A private individual, if a land-owner or an owner of property of which the income is paid in various parts of the country, employs his banker to receive all this money immediately it is collected, and he uses it only as he may require it, his banker meantime making whatever of it he thinks he can safely do; and thus, what one individual is doing on a small scale, is being repeated until the aggregate of money thus turned from an unproductive to a productive state is very large, and constitutes one of the most important economical advantages derived by the country from our extended system of banking, a system which is still capable of being extended to a very great degree, and with great benefit to the community at large.

The business of a London or of a country banker, of a private or joint stock bank, is precisely the same as to all matters of principle. Each and all are required to use great caution as to all investments of money deposited with them, and which may be withdrawn from them at call, that is, at the immediate will of the depositor, without any notice; and this is more especially incumbent on bankers who allow interest on money deposited with them, for it may be reasonably supposed that persons, particularly those engaged in trade and requiring the use of all their capital, will not leave more money in the hands of a banker who allows no interest than the necessity of his trade requires, or than he considers sufficient to repay the bankers for the trouble he gives; whereas, the bank which allows interest may have, and frequently does accumulate large deposits placed with it by persons who do not intend so to leave them permanently, but who are glad to make some interest until any better opportunity for employment may occur, and this may occur very suddenly, at a moment when, without great care in its employment having been exercised by the bank, it is not easy to convert the investments into cash without loss; for it must always be borne in mind, that the very principle on which a bank is conducted, that of causing economy in the use of gold and silver, is inconsistent with the power of converting all investments immediately into cash; I mean, of course, all at the same time. To render this possible would require large stores of unemployed capital kept in gold in an unproductive state, and it has been shown that the great advantage of all banking expedients is to render this unnecessary.

Gold and Silver.—Various calculations have been made, and many estimates framed, to show what is the amount of money altogether in this country. It is very easy to know what is the amount of paper money, I mean bank-notes. I believe that on the 1st January last, the nearest return of bank-notes in circulation to that date shows that the amount of all bank-notes, of every description, in England, Scotland, and Ireland, was about 35½ million pounds sterling; but it is by no means easy to obtain any even approximate statement of the amount of gold. Before a committee of the

House of Commons, the late Governor of the Bank of England stated, as his opinion, that the amount of gold coin was from forty to fifty million pounds sterling. Mr. MILLER, a gentleman holding an important position in the Bank of England, and who has given a great deal of attention to this subject, considers that there is not less than eighty million pounds of gold, and about twelve million of silver. I incline, myself, (although I profess to have very little satisfactory data on which to form an opinion,) to think that both these gentlemen are in error, and that the real amount, although somewhat less than the calculation of Mr. MILLER, is still considerably nearer his statement than to that of Mr. WEGUELIN; be this, however, as it may, I feel no doubt whatever, that were it not for the banking expedients adopted throughout the country, at least double the amount of gold and silver would be required for the wants of the country. I would, however, go much further, by expressing an equally strong conviction that without these banking arrangements or expedients the trade and general prosperity of the country could never have attained its present gigantic proportions.

Integrity.—There is one point which I must not omit to allude to, as having an important bearing on all banking operations, and that is, the quality of moral worth. This very important ingredient, in connection with all human actions, is not of a nature to be estimated by any money value; but it does not, on that account, enter otherwise than largely into the consideration of the way in which banking is carried on in this, and I hope in every other country in the world. And as this is an ingredient which every man can possess, if he is earnestly desirous of possessing it, I think some allusion to its value cannot be inappropriate in connection with our present discussion.

We are all destined in this world to earn our bread by the sweat of our brow; and I know no trade or calling in which high religious and moral qualities can be more sensibly appreciated and brought to bear for practical utility in our journey through life than in that of banking. Let me find a man honestly striving to use his best talents and energies in striving to discharge his duties to the best of his ability in that position of life in which it has pleased God to place him—acting as if he were convinced that he can only succeed by living a life based on sound religious principles, which he will never violate for any worldly objects which may appear to tempt him out of his path of duty, and I would infinitely prefer to deal with that man as a banker, or trust him as a correspondent in business with the use of money, than a man of the greatest wealth acquired by less honest means, and acting as if he thought lightly of honesty and integrity. Honesty is a quality which many political economists have thought deserving of at least an equal value as industry and credit; and we, who are connected with trade, know how immeasurably superior it ought to be esteemed above every other qualification for a good man of business. The old adage, that “honesty is the best policy” should be prominently placed up in the office of every banking establishment, and should be engraved on the minds of every one who wishes to obtain credit amongst capitalists. I confine these remarks of course to worldly objects; this is not a place in which it is necessary for me to enter on such a question as honesty proceeding from higher motives.

If I have carried you along with me sufficiently to see how the banking trade of this country has been productive of utility and of economy, you will, I hope, feel inclined to pardon the somewhat dry details into which I

have been led to enter. And you will also, I hope, admit that the subject is not altogether barren of interest to us all, and not undeserving the consideration of an hour in this room.

Mr. AIRKIN said, the gentleman who had just favored them with the lecture had made some flattering allusions with regard to a few remarks he, a year ago, addressed to a small number of the members of the Institution. He did not feel justified in taking credit to himself for all that had been said, and if he now attempted to say any thing on the subject, he was afraid he should only destroy the impression that had been made on those who did not hear the lecture alluded to. His object on rising was to move their best thanks to Mr. HANKEY, for his lecture that evening. He should join in that vote, not only for the lecture, but for the service rendered to him by Mr. HANKEY when he was preparing the lecture before alluded to. On that occasion he was indebted to Mr. HANKEY for facilities afforded him in getting access to the collection of coins in the Bank of England, and for the attention paid to him by the late Mr. SMEE. These facilities were not to be felt given to him personally, but in a manner to the Peterborough Mechanics' Institute, in which Mr. HANKEY took an interest, in common with other institutions designed to assist working-men in the acquisition of knowledge. He hoped that this evening would be taken as an example, and that other gentlemen of ability would be induced to give the benefit of their knowledge to the members of the institution. He should move that the cordial thanks of this meeting be given to Mr. HANKEY for his instructive lecture. Mr. W. E. GRIFFIN seconded the motion, remarking that Mr. HANKEY had succeeded in giving a lucid description of complicated matters, and had made a dry subject interesting to all. The motion was put and carried by acclamation, and Mr. HANKEY, in acknowledgment, said he thanked them sincerely for the way they had received his humble endeavors to afford them information on the subject of banking. He did not undertake the task without diffidence, having never attempted a similar task before, and if he had really made a dry subject interesting, he could not but be pleased with the result. It afforded him great pleasure to see so many persons present, and he begged to thank them for their attendance. The proceedings then terminated.

The Suez Canal.—"We have at length an authentic statement of the results of the Suez Canal subscription, and they have certainly been such as to exceed the most sanguine expectations of the projector. The number of French subscribers, willing to hazard their money in the undertaking, amounts to 21,035; and the number of shares actually subscribed for, to 220,000. The whole number of shares fixed at 400,000, and the company's capital at 200,000,000 francs. Out of this, France has engaged herself for 110,000,000; but the allotment made to her by the original scheme of division is only 40,000,000, so that she has nearly three times exceeded her contingent. M. de Lesseps, it will be seen, has not in vain awakened the enthusiasm or appealed to the vanity of his countrymen. How much of this success is owing to the short-sighted and illiberal opposition of England, or, rather, of Lord Palmerston and his government? for it is but just to acknowledge that every important Chamber of Commerce in the country differed with the views taken by the British Cabinet on this important question. As it is, the *prestige* of a vast commercial transformation, of world-wide celebrity and interest, is likely to adhere to the French nation and the reign of Napoleon III."—*Paris Cor. Phil. North Am.*

RATES OF DISCOUNT IN ENGLAND.

Rates of Discount for First Class Bills at the undermentioned Periods, brought before a Committee of Parliament by Mr. Chapman.

Years.	Jan.	Feb.	Mar.	April.	May.	June.	July.	Aug.	Sept.	Oct.	Nov.	Dec.	Average per Annum.
1824,.....	3½	3½	3½	3½	3½	3½	3½	3½	3½	3½	3½	3½	3 10 0
1825,.....	3½	3½	3½	3½	3½	4	4	4	4	4	4½	4½	3 17 6
1826,.....	5	5	5	5	5	4½	4½	4	4	4	4	4	4 10 0
1827,.....	4	3½	3½	3½	8½	3	3	3	3	3	3	3	3 5 9
1828,.....	3	3	3	3	3	3	3	3	8	3	3	3½	3 0 10
1829,.....	4	3½	3½	4	3½	3½	3½	3	3	3	3	3	3 7 6
1830,.....	3	3	2½	2½	2½	2½	2½	2½	2½	2½	3	4	2 16 3
1831,.....	3½	3	3½	3½	4	4	4	3½	3½	4	4	4	3 13 9
1832,.....	4	3½	3½	3½	3½	3½	3	3	3	2½	2½	2½	3 2 11
1833,.....	2½	2½	2½	2½	2½	2½	2½	2½	3	3	3½	3½	2 14 7
1834,.....	3½	3	2½	3	3½	3½	3½	4	3½	8½	8½	3½	3 7 6
1835,.....	3½	3½	3½	3½	3½	4	4	3½	3½	3½	3½	3½	3 14 2
1836,.....	3½	3½	3½	3½	3½	4	4	4½	5	5	5½	5½	4 5 0
1837,.....	5½	5½	5½	5½	4½	4½	4½	4	3½	3½	3½	3½	4 8 9
1838,.....	3½	3	3	2½	2½	2½	3	2½	3	3	3½	3½	3 0 0
1839,.....	3½	3½	3½	3½	4	5	5½	6	6½	6½	6½	6½	5 2 6
1840,.....	6	4½	4½	4½	4½	4½	4½	4½	4½	5	6	5½	4 19 6
1841,.....	5½	5	5	4½	4½	5	4½	4½	4½	5	5½	5	4 17 11
1842,.....	4½	4½	3½	3½	8½	3½	3½	3	2½	2½	2½	2½	3 6 8
1843,.....	2½	2½	2	2	2	2½	2½	2	2	2½	2	2½	2 3 4
1844,.....	2½	2	2	2	1½	2	2	1½	2	2½	2½	2½	2 2 6
1845,.....	2½	2½	2½	2½	2½	2½	2½	3	2½	3	3½	4½	2 19 2
1846,.....	4	5	4½	4	4	4	3½	3½	3	3	3½	3½	3 15 10
1847,.....	3½	4½	4½	4½	7	6	5½	6	6	7	10	6	5 17 1
1848,.....	4½	3½	3½	3½	3½	3½	3	3	3	3	2½	2½	3 4 2
1849,.....	2½	2½	2½	2½	2½	2½	2½	2½	2½	2½	2	2	2 6 3
1850,.....	2	2½	2½	2½	2	2	2	2	2½	2½	2½	2½	2 5 0
1851,.....	3½	3	3	3	3	3½	3	3½	3½	3½	2½	2½	3 1 3
1852,.....	2½	2½	2	2	1½	1½	1½	1½	1½	1½	1½	1½	1 18 2
1853,.....	2½	3	3½	3	3	3½	3½	3½	4	5½	5	5½	3 13 4
1854,.....	5	4½	4½	5	5	5½	5½	5	5	4½	4½	4½	4 18 9
1855,.....	4½	5	5	4	3½	3½	3	3½	4	6½*	6½*	6½*	4 13 4
1856,.....	{ 6½*	6½*	6½*	6½*	6*	4½	4½	4½	4½	{ 6*	7†	7†	5 17 3
1857,.....	6	6	6	6½	6½	6½	5½†	6	6	8½	10½	..	....

Those with an asterisk * denote 60 days; those with a dagger † 90 days; .

‡ Bank of England rates.

The rates during the latter part of the year 1857 were so variable and extravagant that it would now be difficult to recapitulate them. In October, the rates were 6, 7 and 8 per cent.; in November, 9 and 10 per cent.; and in December were somewhat less. We have adopted the rates charged by the Bank for June, July, October and November of that year. In 1847 the high rates were owing to the famine in Ireland, and the heavy export of gold to the United States and to the Continent, in payment of the large importations of grain.

THE CLEARING-HOUSE SYSTEM.

THE Clearing-House at New York commenced business October 1, 1853. The total clearings for five years, ending October, 1858, were as follows:

	Total Exchanges.	Balances.
One year to October 1, 1854,.....	\$5,750,455,987	.... \$297,411,498
" " 1, 1855,.....	5,407,912,098	.... 289,694,738
" " 1, 1856,.....	6,906,218,828	.... 831,714,489
" " 1, 1857,.....	8,888,226,718	.... 865,319,901
" " 1, 1858,.....	4,756,694,885	.... 814,238,908
Total five years,.....	\$31,164,502,516	.... \$1,593,873,524

New York Clearing-House transactions from October 1st, 1858, to March 31st, 1859:

	Exchanges.	Balances.
1858.		
October,.....	\$528,784,087	.... \$81,208,815
November,	585,511,547	.... 29,545,782
December,	527,478,150	.... 80,906,160
1859:		
January,	512,989,778	.... 80,996,288
February,.....	495,107,184	.... 27,480,438
March,.....	585,020,180	.... 84,963,643
Total,.....	\$3,179,890,871	.... \$185,100,081

The Boston Clearing-House commenced operations April 1st, 1858. The total clearings for the year ending March 31st, 1859, were \$1,262,795,000; the balances paid during the same time, \$119,823,000.

The Philadelphia Clearing-House commenced operations March 22, 1858. The first year's clearings were \$876,379,552, and the balances paid were \$58,716,819.

Business of the Philadelphia Clearing-House, from March 22, 1858, when it commenced operations, to March 21, 1859.

From	Clearings.	Balances Paid.
March 22 to 31st, 1858,.....	\$23,466,482	.... \$1,554,155
April,.....	70,250,278	.... 4,632,115
May,.....	71,094,719	.... 4,880,185
June,.....	64,605,439	.... 4,105,619
July,.....	64,357,890	.... 4,738,694
August,.....	60,605,555	.... 4,024,529
September,	67,746,147	.... 4,542,265
October,.....	81,888,207	.... 5,200,956
November,.....	80,926,720	.... 5,646,110
December,.....	78,265,917	.... 5,338,627
January, 1859,.....	81,849,421	.... 5,675,801
February,.....	72,166,278	.... 4,925,545
March (to 22d),.....	59,156,549	.... 3,842,841
Total for the Year,.....	\$876,379,552	.... \$58,716,819

RECAPITULATION.

	<i>Year ending</i>	<i>Clearings.</i>	<i>Balances Paid.</i>	<i>Number of Members.</i>
New York,....	Oct. 1, 1858,....	4,756,694,885	814,288,908	49 Banks.
Boston,.....	Mar. 31, 1859,...	1,262,795,000	119,828,000	45 Banks.
Philadelphia,...	Mar. 22, 1859....	876,879,552	58,716,319	19 Banks.

Report of the Boston Clearing-House. For the year ending March 31, 1859.

In presenting to this meeting the Third Annual Report of the Association, in conformity with the provisions of the Constitution, we would beg leave to state, that we do not find much matter of note to comment upon in regard to financial and banking affairs during the year which has just ended.

The great financial troubles of 1857 have been followed by a long protracted stagnation in all branches of trade and industry throughout the country, the paralyzing effect of which has acted more or less on our banking institutions.

The demand for money has been limited, good business paper has been scarce, and much sought for by the banks generally; and although our resources have been large, and our loans higher than at any former period, still the ruling rates of interest have been so reduced that the profits for the past year must, of necessity, be small, compared with former years.

Two new banks (the Bank of the Metropolis and the Safety Fund Bank) have been organized, and are now in successful operation, under the provisions of the general banking law of 1851, whereby any ten or more persons are authorized to become a body corporate for the purpose of carrying on the business of banking.

The essential difference between this law and the law by which banks are organized under special charters, is in the obligation of all banks doing business under the first named law to secure the circulation of their bills, in full, by pledge of public stocks of any city or town in either of the New England States, State of New York, or the United States; and the amount so secured to be exempt from taxation, provided it does not exceed three-fourths of the capital stock; and also the right to pay from their own counters bills of any bank in this commonwealth.

In this connection, perhaps it may not be considered inappropriate to inquire if there does not appear to be a want of harmony between the two laws? And if, in some particulars, one is not in direct conflict with the other? Or else by the passage of the general banking law, are not all the banks in this State relieved from certain restrictions imposed upon them under their special charter.

By reference to the 69th section of the 36th chapter of the Revised Statutes, it will be seen that it is provided, "If during the continuance of any existing bank charter, any *new* or *greater* privileges shall be granted to any bank which may hereafter be *created*, every bank in operation at the time of such grant *shall* be entitled to the same privilege."

And, also, by the 11th section of chapter 93, all banks are prohibited from paying any bills from their counters except their own.

By the provisions of the general banking law in regard to this subject it appears that *new*, if not greater privileges are allowed to banks; and in view of this fact, the question at once suggests itself, Have not the banks in this commonwealth doing business under special charters, the right, by the enactment of the general banking law, to pay from their own counters bills of *any* of the other banks in this State? And, also, have they not the right to avail themselves of all *new* privileges which may have been granted to any new bank.

The specie held by the associated banks for the past year has been larger than ever before in this city, the highest amount being on the 10th day of December, viz., \$9,669,000. The average for the year has been \$8,538,600, which sum is much above the limits required by law.

From actual calculation it appears that $9\frac{1}{2}\%$ per cent. has been the sum required in specie, during the past year, to meet the balances growing out of the daily exchanges at the Clearing-House; which fact would seem to indicate that the legal minimum of specie is sufficient for almost any emergency which may arise in the ordinary business of sound, legitimate banking.

Still, the committee would respectfully suggest that, in order to maintain the position which the Boston banks have so justly held, each and every bank connected with this association should keep on hand a specie reserve larger than the amount required by law, which, in the aggregate would average on the *legal* liabilities—that is, the circulation and deposits—for the past year, about \$4,025,000; so that the weekly published statement may never exhibit the volume of specie to be less than \$5,000,000.

We are all members of one fraternity, and there is a community of interests which cannot be overlooked or ignored. Our influence and dependence is reciprocal, and any deviation from sound and healthy rules of finance by either one of us acts promptly on the whole. Hence the great importance of such united conservatism in all our financial transactions as will serve to give increased confidence in, and stability to, our banking institutions.

The amount of public stocks held by the auditor of this commonwealth on the 1st instant, for the security of the circulation issued by the banks, under the general banking law, was \$182,000.

Four new banks have become connected with this association since our last meeting, viz., the Hide and Leather, the Mutual Redemption, the Metropolis, and the Safety Fund, making an addition, in all, of sixteen, since the first establishment of the institution.

The whole number of banks now connected with the Clearing-House is forty-five, with an aggregate capital of \$35,771,700, the increase for the past year having been \$2,361,700.

The exchanges for the year ending March 31, amount to twelve hundred and sixty-two millions seven hundred and ninety-five thousand dollars.

Balances received and paid during the same time amount to one hundred and nineteen millions eight hundred and twenty-three thousand dollars.

The whole amount of certificates issued by the Merchants' Bank to

April 1st, 1859, was twelve millions two hundred and twenty-nine thousand five hundred dollars.

The amount cancelled to the same date, was nine millions sixty-nine thousand five hundred dollars.

The amount in circulation among the associated banks, to the same time, was three millions one hundred and sixty thousand dollars.

The following gentlemen were elected officers for the ensuing year :

DANIEL DENNY, *Chairman.*

CHARLES G. NAZRO, *Secretary.*

Clearing-House Committee.—ANDREW J. HALL, THOMAS LAMB,
A. D. HODGES, J. AMORY DAVIS, BENJAMIN E. BATES.

BANK STATISTICS.

I. MISSOURI.—II. VERMONT.—III. NEW JERSEY.—IV. CONNECTICUT.—
V. NEW YORK CITY, 1859.—VI. OHIO.—VII. IOWA.

I. *The condition of the Banks in the State of Missouri is shown in the annexed summary.*

Capital paid in by the State,.....	\$1,000,000
Capital paid in by individuals,.....	4,269,145
Due to depositors on demand,.....	3,118,274
Dividends unpaid,.....	5,348
Interest and exchange account,.....	471,827
Balances due to other Banks,.....	579,830
Circulation outstanding,.....	7,600,350
Capital stock of branches,.....	1,542,321
Due branch banks,.....	419,545
Contingent fund,.....	116,217
Total liabilities of banks and branches,.....	\$19,382,857

RESOURCES.

Capital stock in branches,.....	\$1,185,510
Bills discounted,.....	3,974,252
Balances in Eastern Banks, &c., for exchange matured,.....	348,658
Bills of exchange (not matured),.....	5,745,048
Suspended debt,.....	111,125
Due from other banks,.....	597,680
Expense account,	113,013
Notes of other banks,.....	1,007,575
Gold and silver coin on hand,.....	3,921,880
Circulation on hand,.....	1,791,230
Real estate,.....	169,550
State bonds,.....	417,336
Total resources of 22 banks and branches,.....	\$19,382,857

*Semi-Annual Statement of the Condition of the Banks of the State of
made under oath to the*

RESOURCES.

BANKS.	Capital Stock in Branches.	Bills Dis- counted.	Exchange Matured.	Exchange Maturing.	Sus- pended Debt.
Bank of the State of Missouri,.....	\$760,380	818,105	15,718	1,086,314	86,187
Branch of same at Fayette,.....	.....	106,001	11,173	241,980	5,507
" " Palmyra,.....	.....	151,709	1,120	200,774	974
" " Springfield,.....	.....	53,963	.....	196,240	6,381
" " Cape Girardeau,.....	.....	151,057	25,175	74,659	158
" " Louisiana,.....	.....	38,300	.....	163,931	.....
" " Chillicothe,.....	.....	108,406	4,190	125,493	500
Southern Bank of St. Louis,.....	25,000	387,659	31,711	427,354	5,144
Branch of same at Independence,...	.....	22,019	.....	30,325	.....
Farmers' Bank of Missouri,.....	80,130	384,053	5,190	527,496	33,623
Branch of same at Liberty,.....	.....	89,512	.....	135,813	1,000
" " Paris,.....	.....	61,803	3,500	83,375	.....
Mechanics' Bank,.....	50,000	366,687	28,855	446,796	5,800
Branch of same at Weston,.....	.....	64,086	.....	170,419	.....
" " Warsaw,.....	.....	38,060	.....	32,089	.....
Merchants' Bank of St. Louis,.....	75,000	497,445	107,663	707,660	.....
Branch of same at Brunswick,.....	.....	78,240	.....	121,214	.....
" " Osceola,.....	.....	106,085	2,650	.....	.....
Bank of St. Louis,.....	55,000	146,880	102,027	313,544	.....
Branch of same at Booneville,.....	.....	49,087	.....	148,698	16,448
Exchange Bank of St. Louis,.....	140,000	138,740	9,681	248,087	.....
Branch of same at Glasgow,.....	.....	113,343	.....	263,478	.....
Total,.....	\$1,185,510	\$3,974,252	\$348,658	\$5,745,048	\$111,125

LIABILITIES.

BANKS.	Capital Stock paid in by the State.	Capital Stock paid in by Individuals.	Due to Depositors.	Unpaid Divi- dends.
Bank of the State of Missouri,.....	\$1,000,000	\$1,383,750	\$521,734	\$1,374
Branch of same at Fayette,.....	76,047	.....
" " Palmyra,.....	71,773	.....
" " Springfield,.....	43,774	.....
" " Cape Girardeau,.....	25,391	.....
" " Louisiana,.....	16,765	.....
" " Chillicothe,.....	12,775	.....
Southern Bank of St. Louis,.....	454,610	328,053	.....
Branch of same at Independence,.....	21,880	120
Farmers' Bank of Missouri,.....	571,990	145,488	.....
Branch of same at Liberty,.....	35,416	.....
" " Paris,.....	55,345	36,613	785
Mechanics' Bank,.....	413,400	302,635	.....
Branch of same at Weston,.....	15,916	.....
" " Warsaw,.....	10,311	447
Merchants' Bank of St. Louis,.....	418,600	574,276	.....
Branch of same at Brunswick,.....	33,904	.....
" " Osceola,.....	10,557	680
Bank of St. Louis,.....	289,400	508,194	.....
Branch of same at Booneville,.....	66,850	77,478	.....
Exchange Bank of St. Louis,.....	365,200	156,956	.....
Branch of same at Glasgow,.....	90,333	.....
Total,.....	\$1,000,000	\$4,269,145	\$3,118,274	\$5,348

Missouri, on the first day of January, 1859, as shown by their Returns
Bank Commissioner.

RESOURCES.

<i>Due from Banks.</i>	<i>Furniture, Expense and Prof. Ac't.</i>	<i>Notes of other Banks.</i>	<i>Gold and Silver Coin on hand.</i>	<i>Circulation on hand.</i>	<i>Real Estate.</i>	<i>Invested in State Bonds.</i>	<i>Total Resources.</i>
66,014	18,734	98,275	545,956	945,275	100,000	176,000	4,666,962
.....	1,942	62,335	160,279	.....	5,287	.....	593,807
28,803	1,905	27,935	128,241	230	5,802	.....	547,501
86,078	1,794	16,300	163,908	.....	7,852	.....	532,600
120,752	2,154	2,450	132,023	4,250	930	.....	519,612
.....	2,285	20,375	121,101	.....	.....	.....	345,993
.....	2,256	32,300	127,364	3,140	9,273	.....	412,924
.....	7,603	96,680	196,008	265,230	2,912	38,000	1,484,104
5,649	183	36,290	68,615	24,185	2,000	.....	189,297
136,775	13,098	108,165	506,699	1,570	11,022	30,335	1,838,160
32,927	2,969	20,885	123,501	24,795	6,055	.....	442,760
11,783	2,883	18,590	83,298	6,030	.....	.....	274,262
.....	9,096	10,300	190,849	156,965	8,939	43,000	1,311,510
12,610	4,620	10,920	109,706	.....	.....	.....	377,463
1,553	822	28,120	64,362	60	.....	.....	165,068
7,613	12,507	91,315	399,038	181,345	.....	60,000	2,139,589
11,512	1,493	24,760	110,106	80	1,136	.....	249,044
.....	.....	4,680	60,468	30	606	.....	174,519
10	12,315	241,350	157,203	101,985	2,489	25,000	1,157,806
30,318	2,497	13,170	139,586	18,185	1,785	5,000	408,179
32,197	6,517	16,910	184,905	57,875	3,435	30,000	884,799
7,777	4,829	25,670	141,788	.....	.....	10,000	566,888
597,679	\$113,013	\$1,007,575	\$3,921,879	\$1,791,230	\$169,549	\$417,335	\$19,382,857

LIABILITIES.

<i>Interest and Exchange.</i>	<i>Due to other Banks.</i>	<i>Circulation received from Bank Com'r.</i>	<i>Capital Stock paid in by Parent Bank.</i>	<i>Due Parent Bank on account.</i>	<i>Contingent Fund.</i>	<i>Total Liabilities.</i>
\$96,291	\$237,157	\$1,341,560	.....	.....	\$81,095	\$4,666,962
17,732	.....	258,640	\$125,000	\$116,387	.....	593,807
17,026	.....	186,560	125,000	147,140	.....	517,501
13,028	.....	306,560	127,800	41,436	.....	532,600
11,231	98	333,990	148,900	.....	.....	519,612
10,372	11,056	210,000	97,800	.....	.....	345,993
11,106	.....	246,000	126,340	16,703	.....	412,924
32,543	67,699	595,000	.....	.....	6,197	1,484,104
1,466	.....	100,000	65,950	.....	.....	189,297
49,790	.....	1,070,000	.....	.....	766	1,838,160
11,754	.....	180,000	170,460	45,130	.....	442,760
7,304	.....	140,000	35,000	.....	.....	274,262
37,818	47,254	500,000	.....	.....	9,636	1,311,510
11,918	32,828	192,000	118,800	.....	.....	377,463
2,006	.....	100,000	52,750	.....	.....	165,068
56,332	118,462	662,000	.....	.....	9,470	2,139,589
9,354	2,263	200,000	103,521	.....	.....	349,044
.....	.....	100,000	50,000	13,962	.....	174,519
25,027	59,154	322,000	.....	.....	3,399	1,157,806
8,810	.....	200,040	55,000	.....	.....	408,179
23,137	3,854	330,000	.....	.....	5,651	884,799
17,769	.....	280,000	140,000	38,784	.....	566,888
\$471,826	\$579,830	\$7,860,850	\$1,542,321	\$419,544	\$116,216	\$19,382,857

II. VERMONT.

Abstract of the Condition of the several Banks in Vermont for the Year 1858.

RESOURCES.

<i>Names of Banks.</i>	<i>Notes and Bills Discounted.</i>	<i>Deposits in City Banks.</i>	<i>Specie.</i>	<i>Other Resources.</i>	<i>Total Resources.</i>
Ascutney Bank, Windsor,.....	\$89,076	\$15,765	\$5,533	\$7,911	\$118,285
Battenkill Bank, Manchester,.....	136,000	9,428	3,128	4,223	152,881
Bradford Bank,.....	162,318	17,924	8,543	27,966	222,212
Brandon Bank,.....	109,588	13,588	1,286	2,875	127,938
Bank of Bellows Falls,.....	199,153	41,987	8,167	17,144	266,452
Bank of Brattleboro',.....	250,292	114,076	10,243	9,007	384,219
Bank of Black River,.....	96,341	13,909	2,949	7,877	121,077
Bank of Burlington,.....	204,290	24,116	6,877	30,475	265,758
Bank of Caledonia,.....	122,226	9,013	4,215	29,853	171,308
Bank of Castleton,.....	78,267	5,536	837	63,657	148,318
Bank of Lyndon,.....	124,979	21,503	3,263	21,919	171,665
Bank of Middlebury,.....	101,630	75,750	5,419	14,419	197,219
Bank of Montpelier,.....	110,332	5,083	2,542	19,516	137,474
Bank of Newbury,.....	166,766	16,187	5,047	21,351	209,352
Bank of Orleans,.....	65,685	16,556	2,729	14,761	99,732
Bank of Poultney,.....	114,334	4,759	1,311	3,630	124,035
Bank of Royalton,.....	100,080	25,349	3,157	31,910	160,497
Bank of Rutland,.....	484,954	9,549	11,526	16,710	522,740
Bank of Vergennes,.....	212,156	22,434	3,934	9,778	260,304
Bank of Waterbury,.....	135,365	18,820	5,666	3,429	163,281
Commercial Bank, Burlington,.....	238,097	11,328	5,136	7,776	262,338
Exchange Bank, Springfield,.....	97,425	17,269	2,664	602	117,660
Farmers' Bank, Orwell,.....	75,928	14,293	3,575	60,521	154,319
Farmers and Mechanics' Bank,.....	162,249	10,518	3,784	85,273	261,825
Franklin County Bank,.....	197,516	20,785	2,453	5,344	226,098
Lamoille County Bank,.....	86,812	4,158	2,376	4,306	97,652
Merchants' Bank, Burlington,.....	174,568	30,837	3,903	46,691	256,000
Mislaquoit Bank, Sheldon,.....	135,276	8,412	1,599	6,471	154,360
Northfield Bank,.....	172,464	9,240	3,933	7,961	194,199
Orange County Bank, Chelsea,.....	88,721	18,255	4,245	16,272	127,495
Passumpsic Bank, St. Johnsbury,....	147,236	18,348	5,524	50,434	221,544
People's Bank, Derby Line,.....	136,740	19,693	8,346	2,757	167,537
St. Albans Bank,.....	265,234	10,123	5,853	2,410	283,661
Stark Bank, Bennington,.....	99,271	15,970	1,673	2,156	119,071
State Bank,.....	21,975	10,661	1,289	70,241	104,768
Union Bank,.....	153,709	21,352	2,308	5,873	184,253
Vermont Bank,.....	189,801	11,805	6,900	2,712	211,220
West River Bank, Jamaica,.....	141,570	32,016	3,802	4,024	181,414
White River Bank, Bethel,.....	120,160	17,779	5,552	3,229	147,321
Windham County Bank,.....	222,828	34,292	5,567	1,876	265,164
Woodstock Bank,.....	160,858	17,475	5,414	36,173	219,920
Total, 1858,.....	\$6,170,850	\$243,142	\$172,483	\$762,828	\$7,475,314

II. VERMONT.

Abstract of the Condition of the several Banks in Vermont for the Year 1858.

LIABILITIES.

<i>Names of Banks.</i>	<i>Capital.</i>	<i>Circulation.</i>	<i>Other Liabilities.</i>	<i>Total Liabilities.</i>
Ascutney Bank, Windsor,.....	\$50,000	.. \$50,605	.. \$7,981	.. \$108,586
Battenkill Bank, Manchester,.....	75,000	.. 52,403	.. 21,328	.. 148,631
Bradford Bank,.....	100,000	.. 104,345	.. 15,114	.. 219,459
Brandon Bank,.....	75,000	.. 46,173	.. 3,401	.. 124,574
Bank of Bellows Falls,.....	100,000	.. 95,927	.. 59,711	.. 255,638
Bank of Brattleboro',.....	150,000	.. 158,427	.. 53,098	.. 361,525
Bank of Black River,.....	50,000	.. 61,776	.. 8,210	.. 119,586
Bank of Burlington,.....	150,000	.. 63,833	.. 42,131	.. 255,964
Bank of Caledonia,.....	75,000	.. 102,114	.. 2,726	.. 179,840
Bank of Castleton,.....	100,500	.. 33,506	.. 11,658	.. 145,664
Bank of Lyndon,.....	100,000	.. 62,998	.. 9,283	.. 172,281
Bank of Middlebury,.....	100,500	.. 76,938	.. 19,768	.. 197,206
Bank of Montpelier,.....	100,000	.. 31,483	.. 4,722	.. 136,205
Bank of Newbury,.....	75,000	.. 121,488	.. 8,047	.. 204,535
Bank of Orleans,.....	50,000	.. 45,960	.. ....	.. 95,960
Bank of Poultney,.....	50,000	.. 49,115	.. 19,737	.. 118,872
Bank of Royalton,.....	100,000	.. 58,078	.. 1,591	.. 159,669
Bank of Rutland,.....	300,000	.. 160,647	.. 58,031	.. 518,678
Bank of Vergennes,.....	150,000	.. 98,058	.. 11,890	.. 259,448
Bank of Waterbury,.....	80,000	.. 80,619	.. 1,227	.. 161,846
Commercial Bank, Burlington,.....	150,000	.. 71,009	.. 20,878	.. 241,887
Exchange Bank, Springfield,.....	50,000	.. 59,795	.. 3,763	.. 113,558
Farmers' Bank, Orwell,.....	100,000	.. 29,330	.. 6,079	.. 135,409
Farmers and Mechanics' Bank,.....	100,000	.. 49,400	.. 25,759	.. 225,159
Franklin County Bank,.....	100,000	.. 91,028	.. 24,10	.. 215,134
Lamoille County Bank,.....	50,000	.. 46,933	.. ....	.. 96,933
Merchants' Bank, Burlington,.....	150,000	.. 73,165	.. 24,976	.. 248,141
Missisquoi Bank, Sheldon,.....	100,000	.. 35,833	.. 8,795	.. 144,628
Northfield Bank,.....	100,000	.. 93,215	.. ....	.. 193,215
Orange County Bank, Chelsea,.....	50,000	.. 66,836	.. 5,766	.. 122,602
Passumpsic Bank, St. Johnsbury,.....	100,000	.. 108,762	.. 10,484	.. 219,246
People's Bank, Derby Line,.....	75,000	.. 68,854	.. 13,670	.. 157,524
St. Albans Bank,.....	150,000	.. 132,717	.. 7,425	.. 290,142
Stark Bank, Bennington,.....	80,000	.. 33,100	.. 5,682	.. 118,782
State Bank,.....	50,000	.. 32,594	.. 21,957	.. 104,551
Union Bank,.....	75,000	.. 83,981	.. 14,491	.. 173,472
Vermont Bank,.....	100,000	.. 80,165	.. 9,309	.. 189,774
West River Bank, Jamaica,.....	100,000	.. 74,756	.. 2,047	.. 176,803
White River Bank, Bethel,.....	75,000	.. 55,159	.. 13,448	.. 143,607
Windham County Bank,.....	105,000	.. 89,520	.. 67,843	.. 262,363
Woodstock Bank,.....	100,500	.. 84,296	.. 32,108	.. 216,904
Total, 1858,.....	\$4,041,500	\$3,015,142	\$677,779	\$7,734,421

III.—NEW JERSEY.

Liabilities and Resources of the Banks in New Jersey 1855 to 1859.

LIABILITIES.	Jan. 1855.		Oct. 1857.		Oct. 1858.		Jan. 1859.
Capital,	\$8,985,950	....	\$7,292,774	....	\$7,895,981	....	\$7,359,122
Circulation,	2,842,032	....	3,758,062	....	4,113,864	....	4,054,770
Deposits,	2,723,181	....	8,767,741	....	4,998,266	....	4,238,235
Dividends unpaid, .....		....	77,963	....	92,142	....	88,032
Due other Banks,	443,656	....	626,140	....	700,061	....	770,935
Surplus,	901,710	....	1,250,373	....	1,293,780	....	1,332,165
Miscellaneous, .....		....	63,915	....	44,678	....	42,850
Total Liabilities,...	\$15,896,529	....	\$16,836,968	....	\$18,638,772	....	\$17,893,109
RESOURCES.							
Loans,	7,746,920	....	12,756,391	....	13,681,904	....	12,449,460
Specie,	738,595	....	835,802	....	993,077	....	952,221
Due by other Banks,	1,959,952	....	1,357,780	....	1,769,330	....	2,223,936
Notes and Checks, .....		....	476,755	....	374,664	....	573,006
Real Estate,	221,650	....	350,518	....	404,822	....	421,793
Stocks & Mortgages,	138,015	....	640,960	....	803,343	....	785,524
Miscellaneous,	5,011,397	....	398,762	....	611,932	....	482,159
Total Resources,...	\$15,896,529	....	\$16,836,968	....	\$18,638,772	....	\$17,893,109

IV.—CONNECTICUT.

Capital, Circulation, Specie and Loans of the Banks of Connecticut for the last Twenty-two Years. From the Bank Commissioners' Report.

Year.	Capital.		Circulation.		Specie.		Loans.		Total Resources.
1837,	\$8,744,697	..	\$3,998,325	..	\$415,386	..	\$13,246,945	..	\$15,691,385
1838,	8,754,467	..	1,920,522	..	535,447	..	9,769,286	..	12,302,631
1839,	8,632,223	..	3,967,815	..	502,180	..	12,286,946	..	14,942,779
1840,	8,878,245	..	2,325,589	..	499,032	..	10,428,630	..	12,950,573
1841,	8,873,927	..	2,784,721	..	454,298	..	10,944,673	..	13,886,473
1842,	8,876,317	..	2,555,638	..	471,238	..	10,683,413	..	13,465,052
1843,	8,580,393	..	2,379,947	..	438,752	..	9,798,392	..	12,914,184
1844,	8,292,238	..	3,490,963	..	455,430	..	10,842,955	..	14,472,661
1845,	8,359,748	..	4,102,444	..	453,658	..	12,477,196	..	15,243,235
1846,	8,475,630	..	4,565,947	..	481,367	..	13,032,600	..	15,892,685
1847,	8,605,742	..	4,437,631	..	462,162	..	12,781,857	..	15,794,772
1848,	8,726,381	..	4,891,265	..	517,700	..	13,424,653	..	16,208,899
1849,	8,985,916	..	4,511,571	..	575,676	..	13,740,591	..	16,947,002
1850,	9,907,503	..	5,253,884	..	640,622	..	15,607,314	..	19,122,309
1851,	10,575,657	..	6,639,834	..	774,861	..	18,190,512	..	21,989,949
1852,	12,509,807	..	7,118,625	..	825,379	..	20,552,493	..	25,226,509
1853,	13,950,944	..	11,217,630	..	1,259,872	..	25,833,850	..	32,092,899
1854,	15,641,397	..	11,207,996	..	1,206,940	..	27,397,796	..	34,716,899
1855,	17,145,451	..	6,833,388	..	812,183	..	21,909,035	..	31,338,502
1856,	18,852,130	..	9,197,859	..	1,006,658	..	27,201,750	..	36,302,061
1857,	20,505,730	..	9,690,969	..	1,121,120	..	32,639,030	..	39,121,680
1858,	21,017,473	..	4,249,138	..	1,064,826	..	25,610,179	..	32,276,531

CONNECTICUT BANK DIVIDENDS.

Statement showing the Amount of Dividends received by the State of Connecticut from each Bank, from April 1st, 1857, to March 31st, 1858, inclusive.

<i>Name of Bank.</i>	<i>Amount of Stock.</i>	<i>Amount of Dividend.</i>	<i>Rate per cent.</i>
Hartford Bank,.....	\$68,000	\$6,120	9 per cent.
City Bank, Hartford,.....	15,000	1,350	9 "
Exchange Bank, Hartford,.....	35,000	1,400	4 "
Phoenix Bank, Hartford,.....	60,000	4,200	7 "
*Farmers and Mechanics' Bk., Hartford,	30,000	6,923	23 "
State Bank, Hartford,.....	30,000	2,550	8½ "
New Haven Bank,.....	10,000	1,100	11 "
Waterbury Bank,	10,000	700	7 "
New London Bank,.....	10,000	800	8 "
Whaling Bank, New London,.....	10,000	800	8 "
Norwich Bank, Norwich,.....	10,000	800	8 "
Thames Bank, Norwich,	10,000	900	9 "
Stonington Bank,.....	5,000	400	8 "
Fairfield County Bank, Norwich,	10,900	1,199	11 "
Danbury Bank,.....	8,500	765	9 "
Bridgeport Bank,.....	10,000	1,000	10 "
Connecticut Bank,.....	6,400	512	8 "
Windham Bank,.....	5,000	250	4½ "
Iron Bank, Falls Village,.....	6,000	480	8 "
Middletown Bank, Middletown,.....	10,000	800	8 "
Middlesex County Bank, Middletown,...	10,000	800	8 "
Tolland County Bank,.....	10,000	400	4 "
Winsted Bank,.....	4,000	160	4 "
Saybrook Bank,.....	5,000	400	8 "
Deep-River Bank,.....	5,000	350	7 "
Stafford Bank,.....	5,000	350	7 "
	\$398,900	\$35,569	8½ "

The following is a summary of the aggregate deposits of the Connecticut Banks from 1854 to 1858; also of the aggregate loans to persons out of the State.

	<i>Deposits.</i>	<i>Loans out of the State.</i>
1854,.....	\$4,863,343	\$5,461,688
1855,.....	3,085,335	3,556,473
1856,.....	4,864,231	5,451,102
1857,.....	5,736,725	6,681,920
1858,.....	4,462,633	3,733,308

V.—NEW YORK CITY.

We are indebted to Mr. Geo. D. Lyman, manager of the Clearing-House, for an early summary statement of the liabilities and resources of the banks of this city, according to their last quarterly report, under date March, 1859. The official statement of these reports will probably not reach us from Albany under three or four weeks, as the latter will embrace

* This Bank has paid 39 per cent. the past two years.

the returns from about 250 banks in the interior. The following is a statement of the condition of the banks of the city of New York, on the morning of March 12, 1859, as compared with that of December 26, 1857, September, 1858, and December, 1858 :

RESOURCES.	Dec. 26, 1857.	Sept., 1858.	Dec. 18, 1858.	Mar. 12, 1859.	Increase since Dec., 1857.
Loans and Discounts,.....	\$97,783,308	\$122,274,879	\$124,967,547	\$123,974,632	\$25,191,324
Stocks,.....	8,191,419	11,715,736	41,234,779	12,020,324	8,828,905
Bonds and Mortgages,.....	366,558	....	309,963	523,871	157,313
Real Estate,.....	5,424,647	5,941,304	5,926,464	5,976,179	551,532
Due from Banks,.....	4,083,850	4,045,577	5,299,674	5,365,687	1,331,837
Cash items,.....	13,912,456	13,700,628	18,695,241	18,501,606	4,589,150
Specie,.....	26,660,183	28,271,641	26,326,938	25,068,154	*592,029
Overdrafts,.....	93,112	49,193	52,791	58,078	*35,034
Total Resources,.....	\$156,465,533	\$185,998,958	\$193,670,397	\$191,488,531	\$35,022,998
		Deduct decrease			*827,063
		Net increase of Assets,.....			\$35,022,998
LIABILITIES.					
Capital,.....	\$65,024,112	\$67,734,755	\$68,019,585	\$68,724,657	\$3,700,545
Net Profits,.....	7,265,716	6,770,711	6,862,144	6,272,962	*86,754
Circulation,.....	6,279,802	7,582,698	7,701,336	7,999,248	1,719,446
Due Banks,.....	17,152,207	27,161,144	28,469,904	27,251,909	10,099,702
Due Depositors,.....	59,377,069	76,006,862	81,605,963	81,200,028	21,822,959
Due all others,.....	1,366,627	742,888	1,011,465	433,727	*932,980
Total Liabilities,.....	\$156,465,533	\$185,998,958	\$193,670,397	\$191,488,531	\$35,022,998
		Deduct decrease,.....			*36,942,632
		Net increase of Liabilities,.....			*1,919,654

The results are, that in fifteen months the capital has increased \$3,300,000; deposits, \$21,882,000; loans, \$25,191,000; while the undivided profits and the specie reserve, have declined.

VI.—OHIO.

The leading items of the Ohio banks, as shown by the quarterly returns, made to the Auditor of State on the first Mondays of August and November, 1858, compare as follows :

	Independent Banks.		Free Banks.		State Banks.	
	August.	November.	August.	November.	August.	November.
Loans,.....	\$1,401,221	\$1,449,113	\$1,060,676	\$1,203,893	\$8,087,673	\$8,518,335
Specie,.....	153,567	121,882	100,526	127,130	1,730,931	1,598,427
Exchange,.....	181,970	149,602	184,601	323,470	834,087	844,265
Capital,.....	662,500	600,000	615,450	609,325	4,126,246	4,124,500
Circulation,.....	541,248	486,133	537,948	627,967	6,509,095	6,926,204
Individual Deposits,	832,904	942,433	745,795	1,140,007	2,170,442	2,304,557

Some time ago the United States Court decided against the legality of the tax levied on the branches of the State Bank of Ohio, under an act of the Legislature, known as the Crow-bar Law. Subsequently the Supreme Court of Ohio reversed this decision, and decided the banks liable for the taxes. The county auditors have since been endeavoring to collect the taxes, but the banks are again getting the matter into the United States Court, by means of foreign stockholders. One case has been commenced in this city, and the United States Court for the northern district of Ohio allowed an injunction on Tuesday against the auditor of Lorain county, enjoining him

from putting the property of the Lorain Bank, in Elyria, on the tax duplicate. The Federal Court, it is expected, will be governed by the decision rendered by the Supreme bench at Washington, in which case there may be another conflict of jurisdiction.

VII.—Iowa.

Abstract of the Assets, Liabilities and Condition of the State Bank of Iowa, from the official Returns for Monday, March 7th, 1859.

	Capital Paid in.	Due Depositors.	Circulation.	Due to Banks.
Dubuque Branch,.....	\$30,000	\$61,018 54	\$12,900	—
Davenport Branch,.....	25,300	51,903 30	17,919	314 21
Des Moines Branch,.....	25,000	25,331 35	22,450	4,130 91
Iowa City Branch,.....	25,000	26,498 45	23,248	404 00
Keokuk Branch,.....	26,250	20,496 32	23,371	670 51
Mount Pleasant Branch,.....	25,000	20,126 62	15,450	156 65
Muscatine Branch,.....	34,000	35,514 45	23,923	283 70
Oskaloosa Branch,.....	25,000	21,531 12	21,949	—
Total,.....	\$215,550	\$202,420 15	\$161,210	\$5,959 98

	Specie in Banks.	Due from Banks.	Loans.	Safety Fund.
Dubuque Branch,.....	\$27,469 12	\$48,810 40	\$22,855 03	\$3,750 00
Davenport Branch,.....	35,243 12	15,109 87	37,152 20	6,000 00
Des Moines Branch,.....	27,047 65	10,095 27	37,159 14	4,066 65
Iowa City Branch,.....	29,085 65	24,118 62	17,061 15	3,875 00
Keokuk Branch,.....	20,070 82	21,364 44	25,991 62	4,880 00
Mount Pleasant Branch,.....	18,256 34	12,603 56	22,255 50	5,932 50
Muscatine Branch,.....	15,432 00	38,922 29	28,789 90	8,743 75
Oskaloosa Branch,.....	16,458 37	12,414 25	29,061 51	8,990 00
Total,.....	\$189,063 07	\$183,438 70	\$220,276 11	\$46,237 90
Immediate Liabilities,.....			\$429,596 13	
Immediate Assets,.....			418,789 67	

New York City Stock.—The proposals for the \$374,400 of New York City Central Park Fund Bonds were opened in March, by the Comptroller, and awarded as in the list below. The Bonds bear interest at the rate of six per cent. per annum, payable quarterly, and the principal is reimbursable on the 1st of July, 1887:

Name.	Rate.	Amount.
Chas. S. Stackman.....	102 00	\$4,000
Chas. B. Sing.....	101 56	2,000
Cammann & Co.....	101 50	5,000
Maitland, Phelps & Co.....	101 53	54,000
Do. do.....	101 10	30,000
E. Whitehouse, Son & Morrison.....	101 50	2,000
Brooklyn Savings Bank.....	101 12½	80,000
G. E. Baldwin, Attorney for E. C. Kingsley.....	161 51	5,000
John H. Seabeck.....	101 50	2,000
Asa Otis, New London.....	101 50	10,000
Jeremiah Lott.....	101 50	3,000
Hugh Martin.....	101 31	6,300
H. Meigs, Jr., & Smith.....	101 28	20,000
Jas. Dixon.....	101 50	4,000
Sundry Parties.....	101 00	147,100
Total,.....		\$374,400

CANADIAN STOCKS IN 1858.

Comparative Statement of the Variation in the Prices of a few of the Leading Stocks. The quotation given is the last of each Month.

Year.	STOCKS.	June.	August.	October.	December.	Last Dividend, 6 Months.
1853	Bank of Montreal,	23 prem.	26½ prem.	25 prem.	24½ prem.	....
1854	"	21 p. ex d.	24½ a 25 prem.	24 prem.	15 prem.	....
1855	"	10½ prem.	15 prem.	17 prem.	16½ prem.	....
1856	"	....	15 a 15½ prem.	20 prem.	8 a 9 prem.	4 per cent.
1857	"	17 prem.	16½ a 17 prem.	4½ a 5 prem.	16½ ex d.	3 per cent.
1858	"	14½ p. ex d.	14 prem.	17 prem.	16½ prem.	4 per cent.
1853	Bank of British North America,	18 prem.	17½ prem.	15 prem.	20 prem.	....
1854	"	23 prem.	None.	25 prem.	....	....
1855	"	....	37½ prem. offered.	....	No sellers.	3 per cent. with bonus.
1856	"	40 prem.	None.	None offering.	None.	3 per cent. and bonus.
1857	"	None offering.	None offering.	"	None in market.	....
1858	"	1½ p. ex d.	14½ prem.	15 prem.	15½ prem.	....
1853	Commercial Bank of Canada,	13½ p. ex d.	12 prem.	13½ a 14 prem.	14½ prem.	....
1854	"	6 prem.	11 prem.	2½ a 3 prem.	Books closed.	4 per cent.
1855	"	None offering.	12 a 12½ prem.	12 prem.	14½ prem.	4 per cent.
1856	"	"	Buyers, 10½ prem.	7½ prem.	10½ prem.	....
1857	"	Books closed.	7½ prem.	9½ prem.	2½ prem.	....
1858	"	3½ p. ex d.	8½ a 9 prem.	2 prem.	Par.	....
1853	City Bank of Montreal,	1½ p. ex d.	1½ prem.	10 prem.	1½ prem.	4 per cent.
1854	"	Par.	3 a 3½ prem.	Unsettled.	2½ a 3 prem.	3 per cent.
1855	"	12 a 13 pr.	6 prem.	7½ prem.	7 p. ex d.	4 per cent.
1856	"	Buyers, 7½ p.	6 prem.	None.	None.	....
1857	"	9 a 10 prem.	None.	6 a 7 prem.	Unsettled.	....
1858	"	6 p. ex d.	4 dis.	1 dis.	Books closed.	4 per cent.
1853	Bank of Upper Canada,	No sales.	4 dis.	10 dis.	Books closed.	3 per cent.
1854	"	Books closed.	12½ a 13 dis.	10 dis.	Books closed.	4 per cent.
1855	"	b. c., ael. 8 dis.	12 dis.	10 dis.	Books closed.	....
1856	"	1 prem.	12½ prem.	10 dis.	Books closed.	....
1857	"	1 prem.	12½ prem.	10 dis.	Books closed.	....
1858	"	1 prem.	12½ prem.	10 dis.	Books closed.	....

1854	Banque du Peuple,.....	1 a 2 prem.	2 a 2½ prem.	1 dia.	Sellers, 2½ dia.	....
1855	" " " " " " " "	2½ dia.	None.	2 dia.	3 dia.	....
1856	" " " " " " " "	Par.	None.	Par.	1 prem.	4 per cent.
1857	" " " " " " " "	4 prem.	Books closed.	6 dia.	8 prem.	4 per cent.
1858	" " " " " " " "	Sellers, 4½ prem.	8 prem.	4½ prem.	9½ prem.	4 per cent.
1859	Molson's Bank,.....	Buyers, 6 prem.	57a, 6d.	80a.	60a.	....
1860	Montreal Mining Consols,.....	29a.	31a. 3d. a 32a.	2½ a 2½a.	5a. 3d.	....
1861	" " " " " " " "	5a.	8a. 3d.	16a. 3d.	11a. 8d.	....
1862	" " " " " " " "	9a. 6d. a 10a.	10a. 3d. a 10a. 6d.	11a.	Sellers, 10a.	None.
1863	" " " " " " " "	8a.	8a. 3d. a 9a. 6d.	Nothing doing.	7a. 6d. a 8a. 6d.	None.
1864	" " " " " " " "	81 10.	\$1 30.	Sellers, \$1 50.	\$2 75 per share.	....
1865	Champlain and St Lawrence Railroad,.....	1½ dia.	None.	25 dia.	25 dia.	....
1866	" " " " " " " "	42½ dia.	50 dia.	70 dia.	85 dia.	....
1867	" " " " " " " "	.....	82½ a 85 dia.	82½ a 85 dia.	85 a 90 dia.	....
1868	" " " " " " " "	80 a 85 dia.	None.	None.	88 a 90 dia.	None.
1869	" " " " " " " "	Buyers, 87½	Sellers, 87½ dia.	77 dia.	87½ dia.	....
1870	" " " " " " " "	37 a 37½ dia.	45 a 50 dia.	Ruyers, 50 dia.	Sellers, 45 dia.	....
1871	" " " " " " " "	36 dia.	37 dia.	No sales.	40 dia.	....
1872	" " " " " " " "	None.	None.	Sellers, 50 dia.	B. 45 d., S. none.	....
1873	" " " " " " " "	No transaction.	None.	None.	None.	3 per cent.
1874	" " " " " " " "	Buyers, 55 d.	63 dia.	Ruyers, 66 dia.	66 dia.	3 per cent.
1875	" " " " " " " "	5 prem.	No sales.	10 prem.	10 prem.	3 per cent.
1876	" " " " " " " "	30 prem.	20 prem.	6 prem.	Buyers, 4 prem.	....
1877	" " " " " " " "	None.	Nothing doing.	None.	Offered, 15 dia.	4 per cent.
1878	" " " " " " " "	Buyers, 15 d.	None.	Ruyers, 20 dia.	20 dia.	3 per cent.
1879	" " " " " " " "	20 prem.	None.	18 prem.	25 prem.	3 per cent.
1880	" " " " " " " "	7½ dia.	2½ prem.	4 a 4½ prem.	....	....
1881	" " " " " " " "	5 prem.	No sales.	4 prem.	12½ prem.	5 per cent.
1882	" " " " " " " "	5 prem.	10 prem.	15 prem.	16 a 1½ prem.	5 per cent.
1883	" " " " " " " "	19 prem.	17½ a 18 prem.	10 prem.	None offering.	4 per cent.
1884	" " " " " " " "	6½ dia.	14 prem.	1½ prem.	20 prem.	....
1885	" " " " " " " "	18 dia.	6½ dia.	6½ dia.	None.	....
1886	" " " " " " " "	.....	16 a 20 dia.	20 dia.	Sellers, 22½ dia.	....
1887	" " " " " " " "	Buyers, 27 dia.	Buyers, 25 dia.	2½ ex div.	25 dia.	2½ per cent.
1888	" " " " " " " "	20 a 22 dia.	14 a 15 dia.	None.	18 a 19 dia.	3 per cent.
1889	" " " " " " " "	12 dia.	8 dia.	8 dia.	None.	3 per cent.
1890	" " " " " " " "	Par.	Par.	5 dia.	6½ dia.	....
1891	" " " " " " " "	No sales.	35 dia.	No sales.	15 dia.	....
1892	" " " " " " " "	Sellers, 45 dia.	Buyers, 45 dia.	45 dia.	Buyers, 50 dia.	3½ per cent.
1893	" " " " " " " "	No sales.	None.	None.	None.	3½ per cent.
1894	" " " " " " " "	B. 35 dia., S. 25 dia.	Buyers, 35 dia.	Sellers, 30 dia.	None in market.	....

FLUCTUATIONS IN STOCKS.

I. COPPER STOCKS.—II. NEW ORLEANS STOCKS.—III. NEW YORK
BANK STOCKS.

I.—COPPER STOCKS.

Name of Company.	Paid per Share.	Number of Shares.	From	To	Sale.
Bohemian, .....	.....	14,650	.....	\$2 75 a \$2 87	82 57
Copper Falls,	\$21 00	20,000	.....	14 25 a 15 00	14 25
Central,	1 35	20,000	.....	10 00 a 10 50	10 00
Franklin,	0 50	20,000	.....	24 00 a 26 00	24 00
Isle Royale,	13 10	20,000	.....	5 20 a 5 50	5 25
Mesnard,	1 50	20,000	.....	.....	.....
Minnesota,	3 30	20,000	.....	97 00 a 98 00	98 00
National,	11 00	10,000	.....	70 00 a 80 00	70 00
North Cliff,	2 50	20,000	.....	11 00 a 11 00	11 00
Pewabic,	3 75	20,000	.....	47 00 a 48 00	48 00
Pittsburgh and Boston,	5 55	20,000	.....	94 00 a 95 00	94 00
Quincy,	4 80	20,000	.....	30 00 a 31 00	30 50
Rockland,	5 00	20,000	.....	16 00 a 16 50	16 12
Superior,	3 00	20,000	.....	2 75 a 3 00	2 75
Toltec,	16 00	20,000	.....	1 75 a 2 00	1 75

II.—NEW ORLEANS.

*Fluctuations in the New Orleans Stock Market for the Month of
January, 1859.*

	1st.	2d.	15th.	22d.	29th.
Bank of Louisiana,	160	161	161½	162½	165
Louisiana State Bank,	162	162½	170	175	175
Citizens' Bank,	202	204	205	206	207
Canal Bank,	126	127	127½	128	128
Mechanics and Traders' Bank,	101	101	101	101½	101½
Union Bank,	100	100½	101	101	101
Bank of New Orleans,	100	100	100½	101	101
Southern Bank,	106	106½	107	107	107
Crescent City Bank,	101	101½	101½	102	103
Bank of America,	103½	104	104	105	106
Bank of James Robb,	100	100	100½	101	101
Commercial Water Works,	55	55	55	55	55
Gas Light Company,	130	133	130	130	134
Pontchartrain Railroad,	75	75	75	75	76
Opelousas Railroad,	6	6½	6½	6½	6½
Jackson Railroad,	8	8	8½	8½	8½
New Orleans Insurance Co.,	250	250	250	250	250
City Consolidated Bonds,	82½	88½	88½	88½	90
City Bonds for Railroads,	81	83	83	83	83
State Bonds,	96	96	96	96	96
Levee Cotton Press,	85	85	86	88	91
Jackson Railroad Bonds,	74	74	75	76	76½
Union Insurance Co.,	45	47½	47½	47½	47½
Hope Insurance Co.,	50	50	50	50	50
Star Insurance Co.,	116	116	116	118	118
Southern Steamship Co.,	93	93	93	94	96
Tehuantepec Bonds,	53	53	53	54	55
Tehuantepec Stock,	31	31	31	22½	31

III. NEW YORK BANK SHARES.

The annexed statement shows the business in bank shares during February, together with the last dividend and surplus:

Names.	Par Value.	Profits. Dec. 26, 1858.	Last Dividend.	No. of Shares Sold.	Closing Quotations.	
					Offered.	Asked.
American Exchange Bank,.....	100	148,024	3½	246	107	107½
American Bank,.....	100	292,372	3½	32	110½	111½
Atlantic Bank,.....	100	14,642	3½	26	83	83½
Artisans' Bank,.....	100	18,080	3½	10	96	97
Bank of New York,.....	100	121,144	3½	109	106½	106½
Bank of North America,.....	100	130,604	3½	60	109	110
Bank of the Republic,.....	100	309,754	5	42	122½	..
Bank of State of New York,.....	100	125,839	4	185	102½	103
Broadway Bank,.....	25	353,262	5	*	134	135
Butchers and Drovers' Bank,.....	25	96,657	5	82	118	119
Bull's Head Bank,.....	25	6,288	4	*	..	..
City Bank,.....	100	110,329	4	5	121	122
Chemical Bank,.....	100	586,176	6	*	..	..
Bank of Commerce,.....	100	528,796	3½	525	100½	100½
Chatham Bank,.....	25	33,699	Passed.	249	91	92
Citizens' Bank,.....	25	57,759	4	50	102½	103
Corn Exchange Bank,.....	100	65,952	3½	*	99	100
Continental Bank,.....	100	103,691	3½	186	100½	101
Bank of the Commonwealth,.....	100	51,898	3½	*	96	98
East River Bank,.....	25	8,220	..	20	87½	92
Fulton Bank,.....	30	241,644	5	*	140	..
Greenwich Bank,.....	25	24,655	6	*	..	..
Grocers' Bank,.....	50	36,808	..	*	..	95
Hanover Bank,.....	100	52,033	Passed.	181	87½	88
Irving Bank,.....	50	28,468	3½	25	98½	99
Importers and Traders' Bank,.....	100	129,215	4	53	109½	110
Leather Manufacturers' Bank,.....	50	244,664	5	*	..	..
Manhattan Company,.....	50	557,481	5	*	130	..
Merchants' Bank,.....	50	68,430	3½	83	110½	111
Mechanics' Bank,.....	25	225,324	4	211	115½	116½
Merchants' Exchange Bank,.....	50	94,349	3½	271	99	99½
Mechanics and Traders' Bank,.....	25	19,682	3½	*	108	..
Mercantile Bank,.....	100	131,943	5	*	116	..
Metropolitan Bank,.....	100	487,330	4	99	109½	110½
Market Bank,.....	100	87,623	..	20	106	106½
Marine Bank,.....	50	7,654	Passed.	50	84	85
Mechanics' Banking Association,.....	12-50	19,360	Passed.	*	101	102½
National Bank,.....	50	65,111	3½	30	108½	109
North River Bank,.....	30	157	3½	*	90	94
Nassau Bank,.....	100	29,549	3½	5	100	100½
New York Dry Dock Bank,.....	30	17,105	4	*	106	..
New York County Bank,.....	100	12,212	3½	*	..	105
Ocean Bank,.....	50	51,828	3½	100	94	95
Oriental Bank,.....	25	24,235	3½	*	..	..
Phenix Bank,.....	20	102,766	..	50	111	112
Pacific Bank,.....	50	72,193	4	*	115	..
People's Bank,.....	25	37,067	3½	35	102	..
Park Bank,.....	100	140,672	4	77	105½	106
Seventh Ward Bank,.....	50	125,816	5	*	125	135
St. Nicholas' Bank,.....	100	26,300	3½	*	97	98
Shoe and Leather Bank,.....	100	185,907	4	*	115	..
Tradesmen's Bank,.....	40	71,768	4	*	110	112
Union Bank,.....	50	75,736	3½	25	111	112
Total,.....		\$6,862,144				

FOREIGN ITEMS.

American Railway Securities in Europe.—A correspondent writes to the St. Louis *Anzeiger des Westens*:—

Frankfort-on-the-Main, November 4th.—The German American Railroad war entered into a new phase on the 2d of November. Three million dollars' worth of American securities were represented at the general meeting of holders of American bonds. Mr. Koster, of Frankfort, is the Quartermaster-General. New York and Erie is denounced as unworthy of further leniency, and a commissioner, accompanied by several secretaries, is to proceed to America to bring the matter before the courts.

The General Treasury at Frankfort, organized for the purpose of giving effectiveness to the movement, is strong, and hopes of ultimately securing the greater portion of the amount invested are generally entertained.

British Shipping.—There is a material falling off in the British trade with Canton, while that with Shanghai has doubled within six years, as will appear from annexed extracts from the Parliamentary Blue-book on the trade of various places for 1856-7. It must be remembered that the Canton imports include the imports to Amoy and Foochow which are trans-shipped at Canton. We omit fractions in the following summary:—

Year.	British Import, Canton.	Trade of Shanghai.	British Export, Canton.	Trade from Shanghai.
1844.....	\$15,500,000	\$2,500,000	\$17,900,000	\$2,300,000
1845.....	10,700,000	5,100,000	27,700,000	6,000,000
1846.....	9,900,000	3,800,000	15,800,000	6,400,000
1847.....	9,600,000	4,800,000	15,700,000	6,700,000
1848.....	6,500,000	2,500,000	8,600,000	5,000,000
1849.....	7,900,000	4,400,000	11,400,000	6,500,000
1850.....	6,800,000	3,900,000	9,900,000	8,000,000
1851.....	10,000,000	4,500,000	13,200,000	11,500,000
1852.....	9,900,000	4,600,000	6,500,000	11,400,000
1853.....	4,000,000	3,900,000	6,500,000	13,300,000
1854.....	3,300,000	1,100,000	6,000,000	11,700,000
1855.....	6,600,000	3,400,000	2,900,000	19,900,000
1856.....	9,100,000	6,100,000	8,200,000	23,500,000

Austrian Loan.—The London Correspondent of the *Commercial Advertiser* says under date of February 15th:—

The subscription lists for the Austrian loan closed the day before yesterday. It is understood that only about \$6,500,000 have been taken of the proposed \$30,000,000, and of this small proportion the greater part has probably been sold back to the agents (Messrs. Rothschild,) who bought largely at a premium previously to the allotment, in order to create a market. At one time the nominal quotation was raised to 1 premium, but it is now $\frac{1}{2}$ discount.

Drainage of London.—The Bank of England have just agreed to lend a sum equal to \$15,000,000 to the Metropolitan Board of Works, at $3\frac{1}{2}$ per cent., to be expended during the next three or four years in completing the main drainage of London and the purification of the Thames. The loan is guaranteed by the Government, and principal and interest are to be met by an annual rate equal to $1\frac{1}{2}$ per cent. upon the value of all real estate in London. At present this tax will produce about \$800,000 a year, and the estimate is that the entire loan will be repaid in about thirty years.

Société Commerciale.—A Paris letter says that the Société Commerciale and Industrielle was making steady progress. It will begin with a capital of 60,000,000 francs, of which 40,000,000 will be at once paid up. The President is to be named by the Emperor, and have the right to veto. It has no connection with the Credit Mobilier. The Bourse was firm on the 24th. The 3 per cent. opened at 73.30, and closed at 73.50.

MISCELLANEOUS ITEMS.

CALIFORNIA BONDS.—The Market values of California State Loans are seriously affected by the miserable manner in which the finances of the State are managed. There appears to be very little regard felt there among the State officers for public credit or for punctuality in their engagements. We have been favored by Messrs. DUNCAN, SHERMAN & Co., with the following copy of a letter from the Governor of California :—

State of California, Executive Department, Sacramento, February 19, 1859.

GENTLEMEN :—I regret that, in the midst of pressing public engagements, your letter of the 29th ult. remains unanswered until the present moment.

In regard to the indebtedness of the State unprovided for, I have to say that, in my opinion, a vote of the people will be necessary before bonds can be issued.

It is possible that there are still legal and equitable demands unfunded, to the amount of, say \$250,000; and it is understood that a bill will be passed at the present session, making provision for payment.

I do not doubt that this will receive the ratification of the people, as they have already shown that the disgrace of repudiation shall not attach to them.

I am, very respectfully, your obedient,

JOHN B. WELLER.

Government Land Sales.—Public sales of Government land will be held at the following places :—

WISCONSIN.—At Stevens' Point Land Office, on the 18th of April; Eau Claire do., on the 18th of April; Hudson do., on the 18th of April; Superior City, on the 2d of May; Menosha, on the 18th of April; La Crosse, on the 18th of April.

NEBRASKA.—Dacotah Land Office, on the 18th of July; Omaha, on the 25th of July; Nebraska, on the 1st of August; Brownsville, on the 8th of August.

KANSAS.—Lecompton Land Office, on the 18th of July; Kickapoo, on the 15th of August; Ogden, on the 29th of August.

Notice to Pre-Emption Claimants.—Every person entitled to the right of pre-emption is required to establish the same to the satisfaction of the register and receiver of the proper Land Office, and make payment therefor as soon as practicable after seeing this notice, and before the day appointed for the public sale of the lands embracing the tract claimed; otherwise such claim will be forfeited.

THOMAS A. HENDRICKS,

Commissioner of the General Land Office.

Treasury Notes.—The sections of the Miscellaneous Appropriation Act which relate to the re-issue of Treasury Notes are as follows :—

Sec. 5. And be it further enacted, That the power to issue and re-issue treasury notes, conferred on the President of the United States by the act entitled "An act to authorize the issue of treasury notes," approved the twenty-third of December, eighteen hundred and fifty-seven, be, and the same hereby is, revived and continued in force from the passage of this act until the first day of July, eighteen hundred and sixty, and to defray the expenses thereof, the sum of five thousand dollars is hereby appropriated : *Provided,* That the said notes may be issued bearing an interest not exceeding six per centum per annum; and that it shall not be necessary, as directed by the original act aforesaid, after advertisement, to exchange them for specie to the bidder or bidders who shall agree to make such exchange at the lowest rate of interest upon said notes; and that in all other respects the re-issue of said treasury notes shall be subject to the terms and conditions of the act aforesaid.

Sect. 6. And be it further enacted, That the Secretary of the Treasury is hereby authorized, under the act of June fourteenth, eighteen hundred and fifty-eight, to issue coupon or registered stock, as the purchaser may elect.

The Sault Ste. Marie Canal.—The Governor of Michigan has sent a special message to the Legislature, accompanied by a report of the Board of Control of the Sault Ste. Marie Canal, which sets forth the value of that avenue of traffic. The Governor, in recommending a sufficient appropriation to complete the canal works, remarks:

"The mineral wealth of the region bordering upon Lake Superior must find an outlet through this canal. There is no prospect of obtaining any further assistance from the General Government. Should any accident occur by which the canal would be closed, the business of Lake Superior would become stagnant, and the loss to the capitalists who have invested their money in that region would, in two seasons alone, amount to more than a sum sufficiently large to put this work beyond all risk of accidents. During the season of 1855, only four thousand six hundred and forty-three (4,643) tons of copper and iron passed through this canal, the products of our mines, while in the past season forty thousand five hundred and seventy-six (40,576) tons have passed through it. Here is a ten-fold increase of business in the past four years in these articles alone."

Connecticut.—The Warehouse Point tobacco growers, who are just closing out their crops for the last year, are in many cases realizing very handsome gains. Within the circuit of a mile, their product for the year was upward of 100 tons, its value in some instances amounting to more than \$350 per acre.

According to statements made before the Grape Growers' Convention, held at Hew Haven on Tuesday, it appears that the manufacture of wine is carried on to a considerable extent in Connecticut. No less than 50,000 gallons of native wine were made in that State last year, and it is thought that the quantity will be increased to 100,000 gallons the present year. Many of the samples offered were highly approved.

Importation of Dry Goods.—The following is a comparative statement of the importation of dry goods at the port of New York for eight months of the current and the two preceding fiscal years:

	1856-7.	1857-8.	1858-9.
July	\$13,815,250	\$18,566,404	\$7,599,039
August.....	11,745,101	10,989,742	10,862,616
September.....	6,302,584	6,186,012	6,016,011
October.....	4,958,196	3,585,821	3,892,851
November.....	5,211,891	3,029,964	4,615,531
December.....	5,416,256	1,902,262	4,453,330
January.....	10,886,489	2,858,234	10,575,587
February.....	12,506,711	5,558,793	10,516,305
Total 7 mos....	\$70,342,478	\$53,677,232	\$58,561,190

We are now five millions ahead of the importations of last year, and only twelve millions or sixteen per cent. below the great importation of the fiscal year which preceded the panic. It will be observed that but for the great quantity of goods entered in July, 1857, which had been held back to secure the benefit of the new tariff, the increase of the current fiscal year thus far, over the eight of the last, would be much larger.

California.—According to the Report of the State Comptroller of California, the total amount of taxable property assessed in the State last year was as follows:

Number of acres.....	5,037,557
Value.....	\$27,917,641
Improvements thereon.....	15,888,534
City and town lots.....	4,947,953
Improvements thereon.....	7,306,223
Personal Property.....	48,919,728
Total Valuation of property.....	123,955,874
State tax thereon at the rate of 60c. on \$100.....	743,720

Ohio Trust Company.—Amongst the assets of the Trust Company, which have been placed in possession of the Trustees, is a small bag of silver coin, containing probably \$100, which was left in the Bank as a special deposit so long ago that the officers have no recollection of the time or persons leaving it. It has never been called for, but has been waiting an owner for years. The bag is labelled "Robert Bland."

Patent Banks—How Letters Patent for Banks are sometimes Obtained.—For some time past there have been rumors in regard to heavy forgeries of certificates of deposit upon the American Exchange Bank of New York city, which the eastern papers speak of as having perhaps being cashed by a bank in this city, and perhaps not. All that has appeared in public prints hitherto has worn a sort of mysterious air, which has whetted curiosity without satisfying it. We are, fortunately, able to give a plain statement of facts, which develop specimens of sharp financiering, such as could only have originated among the needy and desperate scoundrels who haunt New York city.

The last Legislature of Pennsylvania granted a charter for a bank, to be called the Monongahela Bank, to be situated in the little thriving borough of McKeesport, some sixteen miles distant from this city. As, unfortunately, this was not the only bank authorized in Pennsylvania, the people in and around McKeesport found that the stock was not likely to be taken, and this fact coming to the knowledge of our whilom friend, Stephen D. Dillaye, the man who made such a grandiloquent attempt to annihilate Secretary Cobb and Hon. John B. Guthrie, because he was turned out of a very fat office in the customs of New York, for gross dereliction of duty, these facts coming to the knowledge of the discharged and needy ex-official New York politician, and a few financiers of the same kidney, they resolved to take the stock of the new bank, and make a good thing of it, which they did not succeed in doing, as we shall show.

Stephen D. Dillaye, J. W. Langdon, one Kelsey, who claims to be a lawyer, and J. Langley, accordingly came to McKeesport, and took a large amount of the stock of the bank in their own and others' names. They exhibited certificates of deposit on the American Exchange Bank of New York city, to the amount of about \$51,000, and were apparently "rich men, with pockets full of rocks." These four, Dillaye, Langdon, Kelsey, and Langley, came to this city, and procured this paper to be discounted at a bank in this city. They then returned to McKeesport with the money, which they had discounted by a responsible party, who, supposing all was right, went to Harrisburg, and procured the letters patent for the bank from the Governor, having made the necessary oath regarding the amount paid in. He returned, and forthwith the bank was organized, and a board of directors chosen, of whom Dillaye—the redoubtable Stephen himself—was one. Langley was made cashier. But the bank which had cashed the certificates of deposit was astonished, one morning, by two of the certificates, amounting to \$27,500, being returned from New York, branded as forgeries. The bank in this city forthwith sent proper persons to McKeesport with the bogus certificates, and by the order of the President of the embryo bank, the money was returned, and the fraudulent certificates surrendered. Langdon, whose name was on the fictitious paper, rendered himself scarce, and Dillaye, who is great on indignation, became indignant and eloquent. He and Kelsey induced the bank officers to let them have the forged paper, and they would go to New York and "fix things." They went—the forged paper went with Mr. Kelsey, but the good money to replace the deficit is not yet forthcoming, and the Monongahela Valley Bank is not yet under way. The treasurer has, however, about twenty-two thousand dollars of the good assets of these New York financiers. Thus far, nobody has lost any thing by the transaction. Messrs. Dillaye & Co. seem to be as unsuccessful as financiers as they are as politicians. The best thing he can do is to "come back, Stephen," and bring twenty-seven thousand five hundred dollars in hard money with him, to replace the hole made in the assets of the new bank by the forgery.—*Pittsburg Post*.

Pennsylvania.—In the District court, before Judge Hare, a suit was tried in which the Montour Iron Company were the defendants, and the Brothers Fallon plaintiffs. The suit was brought to recover \$49,000, with interest, on a number of the mortgage bonds of the company. It is intended to try the case in the Supreme Court, and the proceedings in the District court to-day were merely the initiative to that end. Under the direction of the court, a verdict was rendered in favor of the plaintiffs for \$42,800, subject to the exceptions and reserved points of law. The case will be carried to the Supreme Court for the real decision, which appears to turn upon the question whether the terms of a mortgage given to secure a set of bonds can be construed to be a part of the bonds themselves.—*Philadelphia Press*, March 2.

BANK ITEMS.

NEW YORK.—The Merchants' Bank of this city have just issued new notes of the denomination of one, two, three, and five dollars. They are engraved in the best style of the American Bank Note Company, with all the usual precautions against counterfeiting, photographing, &c.; and, in addition, have one of the best safeguards against frauds by the alteration of denominations which have yet been invented—that of Mr. GEORGE D. LYMAN, of the Bank Clearing-House in this city. This plan is simple and effectual. The note is printed on a piece of paper of about the same size as that in ordinary use. The note proper, however, is on the right side and occupying a portion only of the paper, varying in size according to the denomination, and separated from the remainder by a clearly defined line, on which is inscribed the mathematical proportion the particular denomination note bears to the whole paper, as defined in the following inscription at the left of each note:—

"Lyman's Protection. Bank note on the right end. One dollar covers one-third of the paper. Two dollars, one-half. Three dollars, two-thirds. Five dollars, three-fourths."

The universal adoption of this plan, it appears to us, must have the effect of rendering fraud impossible by alteration of the denomination of bank notes, at present the most difficult to detect and guard against of all the tricks of the counterfeiters.

Union Bank.—Mr. FREDERICK DEMING resigned the Presidency of the Union Bank in March, 1859, a position which he has held for the last fifteen years. Mr. E. H. ARTHUR, who succeeded the late Mr. EBBETTS as Cashier, and who has been connected with the bank for about thirty years, was promoted to the Presidency, Mr. HENRY COIT, chosen Vice-President, and Mr. JAMES M. LEWIS, Cashier of the private banking house of Messrs. KETCHUM, HOWE & Co., appointed Cashier.

New York City.—The Mechanics' Banking Association has declared a dividend of $3\frac{1}{2}$ per cent. on its present capital, \$316,000, and has resolved to increase the capital to the sum of \$500,000.

Removals.—The Pacific Bank has been removed to No. 470 Broadway, nearly opposite its former place of business. The Chatham Bank was removed on 11th of April to No. 192 Broadway, corner of John Street.

Corning.—A new Bank, called J. N. Hungerford's Bank, Corning, N. Y., has just gone into operation. J. N. HUNGERFORD, President; S. F. DENTON, Cashier.

Canton.—A new Bank, entitled R. M. Goddard & Co.'s Bank, has been established at Canton, St. Lawrence Co. R. M. GODDARD, President; H. D. OAKLEY, Cashier.

Bank Capital.—The Bank capital of the State is increased as follows by the Acts passed by the last Legislature:—

International Bank, Portland,.....	\$250,000
Franklin Bank, Farmington,.....	50,000
Wawenock Bank, Wiscasset,.....	50,000
Camden Bank, Camden,.....	60,000
	<hr/>
	\$410,000

NEW CHARTERS.

	Increase of Capital.
Venize Bank, Bangor,.....	\$50,000
Sandy River Bank, Farmington,.....	25,000
Long Branch Bank, Bath,.....	25,000
	<hr/>
	100,000

Total additions to bank capital,.....
\$510,000

Three banks are allowed to reduce, the Northern Bank, Hallowell; the American Bank, Hallowell; and the Ticonic Bank, Waterville, \$25,000 each..... \$75,000

MAINE.—We copy the following from the last Report of the Bank Commissioners of Maine:—

In their last annual report the commissioners say, in conclusion of their notice of the Bank of Hollowell, "Unless its affairs are promptly wound up by its officers, application will be made to have the injunction made perpetual, and receivers appointed." We are sorry to say but little progress has been made by its officers or stockholders in winding up its affairs since that time; and the commissioners excuse themselves for not applying for a perpetual injunction, and appointment of receivers, for the reason there was nothing which could be made available to receive.

Augusta.—Mr. G. W. ALLEN has been appointed Cashier of the Granite Bank in place of Mr. SILAS LEONARD.

MASSACHUSETTS.—A third bank, under the name of the Revere Bank, has been established under the general law at Boston. President, Samuel H. Walley, Esq.; Cashier, John W. Lefavor, Esq., late of the Suffolk Bank. The following are the names and officers of the three banks in Boston, established under the general law.

<i>Name.</i>	<i>President.</i>	<i>Cashier.</i>	<i>Capital.</i>
Bank of the Metropolis,....	SAMUEL A. WAY,....	WILLIAM H. FOSTER,....	\$250,000
Revere Bank,.....	SAMUEL H. WALLEY,..	JOHN W. LEFAVOR,.....	250,000
Safety Fund Bank,.....	ABRAHAM T. LOWE,...	C. R. RANSOM.....	250,000

Boston.—The name of the Howard Banking Company, Boston, Mass., has been changed to the Howard Bank.

Bank of Mutual Redemption.—The Second Annual Report of the Directors of the Bank of Mutual Redemption, Boston, states that the present number of stock holding Banks is 143: 63 of which are in Massachusetts, 21 in New Hampshire, 15 in Maine, 14 in Vermont, 22 in Rhode Island, and 8 in Connecticut. The bank has been in operation seven months, and is in a prosperous condition. The profits have covered expenses for six months, and leave a small balance. After the 4th of April the bank ceased paying interest on the permanent deposits of banks not stockholders.

The Directors say: "A sudden increase of banks doing business with the Bank of Mutual Redemption is not to be expected, as the rival bank has accommodated itself to its new relations. * * * Thus far the country banks have had very generally the daily balances decided in their favor. In cases where the balances have appeared for a time against them, the Directors seem to have due care and oversight. In a single instance an associated bank has failed, but the loss accruing, as yet undetermined, cannot exceed \$4000."

The bank has agreed to a proposition of the Suffolk Bank to redeem bills on hand day by day as received.

Worcester.—A new bank has just been organized at Worcester, under the general banking law of the State. It is to be called the Worcester Safety Fund Bank, and its capital is fixed at \$100,000.

NEW JERSEY.—New Jersey is already provided with too many Banks with limited capitals, but the Legislature is increasing them unnecessarily. The Senate, the last day of the session, by a vote of 13 to 4, passed the bill to charter the Union County Bank, and the bill to charter Egg Harbor Bank, Atlantic County. The latter, from its location, would never be much more than a shell, and the House declined to confirm the action of the Senate. The House also rejected the bill to charter the Beverly Bank.

Flemington.—Charles Tomlinson, Esq., has been elected Cashier of the Hunterdon County Bank, in place of William Emery, Esq., who resigned 10th January last.

PENNSYLVANIA.—J. D. Cameron, Esq., of Harrisburgh, son of the Hon. Simon Cameron, was, on the resignation of the latter, elected cashier of the Bank of Middletown.

MARYLAND.—Albert Vickers, Esq., was chosen President of the Marine Bank, Baltimore, to fill the vacancy occasioned by the death of Mr. J. Bior.

FLORIDA.—The Legislature of Florida passed a Free Banking law recently, copied mainly from the general law of New York, and incorporating a provision of individual liability of stockholders. Under this law the State Bank of Florida has been established at Tallahassee, with an authorized capital of \$500,000, of which \$130,000 have been paid in. Mr. William Bailey, President, and Mr. William R. Peters, Cashier.

Indiana Free Banks.—The semi-annual statement of the Auditor of the State of Indiana presents the following items of the banks doing business under the Free Banking Laws of that State. No bank is allowed to do business with less than \$50,000 of securities deposited with the Auditor, at their market value.

SECURITIES.

Tennessee 5's	\$9,000	North Carolina 6's.....	\$17,000
Do. 6's.....	8,000	Virginia 6's.....	10,000
Indiana 6's.....	15,000	Kentucky 6's.....	15,500
Do. 2 1/2's.....	351,721	Georgia 7's.....	42,500
Do. 5's.....	394,500	Ohio 6's.....	6,000
Michigan 6's.....	3,000	California 7's.....	63,000
Louisiana 6's.....	216,500	Pennsylvania 5's.....	1,000
Missouri 6's	421,000	Coin.....	26,832

Total amount of securities..... \$1,590,085
Circulation..... 1,190,111

Export of Specie.—The following is a summary of the export of specie from New York and Boston since 1st January, (New York to date, and from Boston to 31st March each year):

Year	From New York to date.	From Boston, 3 mos.
1852.....	\$7,232,000	\$557,900
1853.....	3,784,000	445,000
1854.....	6,824,000	1,051,000
1855.....	7,840,000	2,481,000
1856.....	5,756,000	680,000
1857.....	6,860,000	795,000
1858.....	9,805,000	1,781,000
1859.....	12,521,000	502,000

Circulation outstanding of closed banks, the redemption of which is provided for, \$26,883.

Iowa.—Three new branches of the State Bank of Iowa have been established, making, in all, eleven branches now in operation.

Place.	President.	Cashier.
Burlington,....	WM. F. COOLBAUGH,.....	F. W. BROOKS.
Lyons,.....	R. W. RAND,.....	R. N. RAND.
Washington,.....	J. A. Green,.....	H. M. HOLDEX.

Missouri.—Robert A. Barnes has been elected President of the Bank of the State of Missouri, in place of J. M. Hughes, resigned.

St. Louis.—The St. Louis papers announce the organization of a new Bank, the Union Bank of Missouri. The books of this Bank closed a few days ago, with a subscription of \$200,000 by ninety-five subscribers. Included in the list are several of the wealthiest citizens, and a large number from among the best representatives of the business classes. Some of its capital has been subscribed from abroad, and assurances are given of further subscriptions from the same quarter. The election of directors will take place on Saturday next, at which time the books will be re-opened for additional subscriptions. It is expected that the bank will go into operation by the 10th or 15th of May. This bank, under the General Banking Law, takes the place which was vacated by the omission of the State Savings Institution, to organize under the act creating "The Bank of Commerce." It is authorized to employ the same capital—\$1,500,000—as the last named bank. The charter of the Union Bank expires in 1890. The bank is required to establish six branches, respectively, at La Grange, in Lewis County; at Milan, Sullivan County; at Richmond, Ray County; at Warrensburg, Johnson County; Kansas City, Jackson County; and Charleston, Mississippi County.

TENNESSEE.—*The Bank of Tennessee Dismembered.*—On and after the first day of September next, the Bank of Tennessee and branches are required to pay out only such notes as are on the face redeemable in gold at the counter where issued. This bank must obey the letter of the law; the Union and Planters' Banks refused to be governed by the Legislature in this matter.

One branch of the Bank of Tennessee cannot issue and pay out the notes of another branch of the same bank. Of course it cannot receive the other branch notes unless the arrangement is previously made for the redemption of the notes. No bank can continue to receive on deposit and in payment of debts the notes of other banks

which they are forbidden to pay out. In a very short space of time the home issue would be exhausted, and all depositors would have to pay in gold. By this act of the Legislature the Bank of Tennessee is dismembered—it can no longer act as a unit. Each branch is, in effect, an independent bank, relying on its own resources—holding the branches as they do other banks, in war enemies, in peace friends.

The mother bank will probably no longer attempt to redeem the bank notes at Nashville, for they cannot do this without keeping on hand two dollars in gold for one in paper.—*Clarksville Chronicle*.

WISCONSIN.—The Bank Comptroller publishes his semi-annual statement, from which we derive the following aggregates of the banks of the State of Wisconsin, on the morning of Saturday, January 15:

Capital	\$7,095,000
Circulation	4,695,170
Deposits	3,022,384
Specie	705,009
Cash Items	83,893
Public Securities	5,032,445
Private Securities	2,262,456

All the securities deposited, with the exception of \$24,000, are either State stocks or specie. In addition, the Bank Comptroller holds the bonds of the directors of all the banks for one-quarter of the whole circulation. The Banking Law of Wisconsin does not permit the deposit of bonds and mortgages—on which, in New York, has been the chief loss in closing up suspended banks.

Savings Banks.—The Boston Five Cents Savings Bank held its annual meeting on 5th April, and its condition was reported to be highly prosperous. The increase during the last year in the number of depositors and the amount of deposits is stated to be more than equal to the aggregate increase of all the other 85 Savings Banks in the State. The gain in the number of depositors is 4,153, and in the amount of deposits \$662,573 87. The Bank now has in all 18,719 depositors, whose deposits amount to \$1,763,886 99,—the average of which is \$94 92 to each. An extra dividend will be paid in May. Of the depositors 13,532 reside in the city, and 5,287 are non-residents. The number of adult depositors is 12,385; minors, 6,334. The number of mechanics is 4,085; clerks, 2,138; laborers, 1,135; merchants, 258; servants and waiters, 918; professional men, 543; printers, 715; seamen, 277; public officers, 184; railroad and express men, 98; women, children, and others whose occupations are not known, 8,368. The number who have on deposit less than \$5 is 5,668; \$5 and less than \$50, 6,827; \$50 and less than \$100, 1,791; \$100 and less than \$500, 3,588; \$500 to \$1,000 inclusive, 845. The investments are as follows:—Mortgages, \$858,350; Real Estate, \$85,412 31; Public Funds, 156,400; Loans to Counties and Towns, \$60,800; Bank Stock, \$234,191; Loans on Personal Security, \$65,700; Loans on Bank Stock, \$64,860; deposits bearing interest, \$303,312 35. The old board of officers were re-elected.

France.—It is stated that the capital of the new Credit Mobilier, in process of concoction under the auspices of Count de Morny, will be £1,600,000, in 80,000 shares of £20 each. The following communication regarding the new Credit Mobilier to be established at Paris has been addressed, on behalf of the promoters on that side, to their connections on the London Stock Exchange:

PARIS, March 25.

The Minister of Finance has just authorized the public subscription ordered by the Council of State for the "Société Générale de Credit Industriel et Commercial." Do you wish to take an interest in the foundation of this new Bank? A public subscription was insisted upon by the Government, although the founders offered to find the capital, and we should like our friends not to lose by a public subscription the interest we counted on reserving for them in a private one.

DONON, AUBRY, GAUTIER & Co.

To Mr. C. W. Price, London.

Savings Banks in Great Britain and Ireland.—In the United Kingdom, in the year 1857, the total amount received from deposits was £7,581,415; the amount paid out was £8,375,095, but this includes the interest. The aggregate deposits on hand were £35,108,596, while in 1856 the amount was only £34,946,012. From Nov. 22,

1856, to March 7, 1857, there was a surplus of deposits over the withdrawals every week, amounting in the whole to £307,716; from that date till the completion of the year, Nov. 20, 1857, the withdrawals exceeded the deposits every week, and the total excess amounted to £1,265,870. Of the total (on Nov. 20, 1857) £1,738,026 was for Ireland, and £1,944,991 on account of Friendly Societies.

The total number of individual depositors in Great Britain was 1,341,752; the largest number of depositors, 266,399, held sums between £1 and £5 to the amount of £674,611; the largest amount was by holders between £75 and £100, namely: £5,374,149 by 88,566 depositors.

In the United Kingdom, from March 26, 1854, up to Jan. 5, 1858, £2,138,229 had been invested in the purchase of annuities through Savings Banks; the immediate annuitants numbered 9,079, and the amount of the annuities was £183,347, or a trifle over £20 each; of these 2,523, representing annuities to the amount of £48,521, something below £20 each, had fallen in. There had been also 2,056 deferred annuities to the amount of £40,862, of which 1,060, to the amount of £20,268, had fallen in.

CANADA.—The following table exhibits the circulation, specie and discounts of the Canadian chartered banks on the 1st of March, excepting the Bank of British North America and Gore Bank, neither of which is required to make published statements:

Banks.	Circulation.	Specie.	Discounts.
Quebec Bank.....	\$598,350	\$198,810	\$2,000,798
City Bank, Montreal	509,974	205,824	1,955,684
Bank of Montreal	2,685,861	715,714	10,087,477
Commercial Bank	1,526,918	430,465	6,113,665
Bank of Upper Canada.....	2,368,728	686,595	7,466,901
Banque du Peuple.....	323,516	113,471	1,721,424
Molson's Bank	899,093	88,985	1,441,962
Niagara Discount Bank.....	170,957	22,349	428,145
Bank of Toronto	441,538	82,087	985,847
Ontario Bank	289,564	82,069	620,599
International Bank	36,155	17,040	84,050
Total.....	\$9,800,161	\$2,637,901	\$32,596,432

Irish Bank Returns.—The amount of bank notes authorized by law to be issued by the several Banks of Issue in Ireland, and the average amount of bank notes in circulation, and of coin held, during the four weeks ending Saturday, the 12th day of March, 1859, is shown as follows:

Name and Title.	Circulation authorized.	Average Circulation.	Average Coin held.
Bank of Ireland	£3,738,428	£3,407,425	£672,604
Provincial Bank	927,607	1,079,689	461,070
Belfast Bank.....	231,611	451,282	267,665
Northern Bank.....	248,440	304,364	155,676
Ulster Bank.....	811,079	498,829	235,006
National Bank	852,269	1,193,768	552,352

The following Return shows the state of the Note Circulation in Great Britain during the four weeks ending February 12, compared with the previous month:

	Jan. 15, 1859.	Feb. 12, 1859.
Bank of England.....	£20,440,689	£20,880,036
Private Banks.....	3,343,026	3,407,186
Joint Stock Banks.....	2,904,770	2,933,056
Total in England.....	£26,688,485	£27,170,308
Scotland.....	4,100,052	3,964,022
Ireland.....	6,729,747	6,598,946
United Kingdom.....	£37,522,284	£37,733,273

Alliance Bank.—The Alliance (French and English) Bank, which was constituted a few years back under French law, is in course of being wound up. It is said that Mr. Stokes, the *gérant*, has departed to America, and that the accounts are in con-

fusion, but that all creditors will be paid. It is likewise hoped that about 30 or 40 per cent of their paid-up capital will remain for the shareholders.

Russia is in the market for eleven or twelve millions sterling. India requires three to five millions. The railway calls for the months of April were £2,274,000, making an aggregate of nearly eighteen millions sterling, viz.:

Russian Loan, about.....	£11,500,000
Indian Loan, about.....	4,300,000
Railway Calls, about.....	2,200,000
Total.....	£18,000,000

The London Money Market for March.—The highest price obtained for consols in the month of March was 96½, and the lowest, 95½, the closing price at the end of the month being 95½ a 95½. The range of consols, which was only 1½ per cent. in February, was in March quite moderate, the difference between the highest and lowest price being 1½ per cent., while the result of the month's transactions, notwithstanding the announcement of the intended Congress, has been to establish merely an advance of an eighth on the low prices previously current. In railway shares there has, with the exception of East Indian and one or two other descriptions, been a more decided tendency to improvement, and an average rise of about 1½ per cent. has been sustained. On the Paris Bourse the stock operations of the period have ended, showing a recovery of an eighth, as compared with the quotations of the 1st of March.

Fluctuations in the London Stock and Share Markets during the Month of March, 1859.

	Price on March 1st.	Highest Price.	Lowest Price.	Present Price.
Consols.....	5¼ a ½	96½	95½	95½ a ½
Exchequer Bills.....	36s. pm.	39s. pm.	32s. pm.	34s. pm.
Brighton Railway.....	109½	113½	109½	112½
Caledonian Railway.....	81½ x. d.	83½	81½	82½
Eastern Counties Railway.....	59	61½	58½	60
Great Northern Railway.....	101½	103	101½	102½
Great Western Railway.....	55½	60	55	58½
London and North Western Railway.....	93½	96½	92½	94½
Midland Railway.....	92½	103	92½	101½
Lancashire and Yorkshire Railway.....	93½	96½	93½	94½
Sheffield Railway.....	37½	39	37	38½
South Eastern Railway.....	71	72½	70	70½
South Western Railway.....	92½	94	92	92½
North Eastern, Berwick Railway.....	90½	92½	90½	92½
North Eastern, York Railway.....	75½	77½	75½	76½
Northern of France.....	36½	37½	36½	37
East Indian.....	104	106	102½	102½

NEW ORLEANS.—Logan McKnight, Esq., President of the Board of Currency, died at New Orleans, Saturday, April 2d., aged thirty-four years. Mr. McKnight was born in Shelby county, Kentucky, on the 8th of April, 1825. At the time of his death, forced by the disease which has proved fatal, he had just retired from active business, and remained in the firm with which he had long been connected only as a partner *in commendam*. During his short and successful career, he had not only secured by his own energy and ability an ample competence, but he had established a character and an influence rarely found in men of twice his age. He had been a member of our city government, and exercised an influence far beyond his nominal position. He had never held a State office, until his last, nor been a candidate for political honors, but his uniformly sound advice and the general confidence in his perfect purity and almost matchless political sagacity, gave him a weight in the democratic party, to which he belonged, greater than is ever reached by any professional politician. At the time of his death he was president of the Board of Currency, by the unsolicited appointment of the Governor, and was by almost common consent considered the most proper man in the State for the office. Commercially, his position was equally high. His influence was universally felt, and his credit never questioned. If he had lived, his position in the literary world could scarcely have been lower. Active in mind and body, studious, and of liberal education and habitual cultivation, his skill in writing and thinking was marked and striking. Some of the best essays on commerce and banking that ever appeared in this city came from his pen in his short intervals of leisure.—*N. O. Delta.*

BANK DIVIDENDS.

NEW YORK CITY.—National Bank, 3 per cent., Chemical Bank, (quarterly), 6 per cent., Bull's Head Bank, 4 per cent., Fulton Bank, 5 per cent.

NEW ORLEANS.—New Orleans has seldom, if ever, experienced a season of greater prosperity than that of the last six months. The Bank dividends are as follows:—Citizens' Bank, and the Bank of Louisiana, 15 per cent.; Louisiana State Bank, 13; Mechanics and Traders' Bank, Canal and Union Banks, and the Southern Bank, 9; and the Bank of Jas. Robb, 8.

SAVINGS BANKS.—The United States Trust Company, of New York, as Receiver of the Knickerbocker Savings Institution, announce a third and final dividend of $2\frac{1}{2}$ per cent. to the creditors of said Savings Institution, making the aggregate dividends 66 per cent., payable on the 18th instant, at 73 Cedar Street. This closes the affairs of the institution, which failed in December, 1854, with liabilities of \$472,000, distributed among over three thousand depositors, who will lose about 13 per cent. of their original claims. This is the most disastrous failure of a Savings Bank that has occurred in the U. S.

PRIVATE BANKERS.

BOSTON.—Messrs. ALLEN, NEALE & Co., Boston, will make collections throughout Canada and the United States. [See their Card on the cover of this work.]

ST. PAUL.—Messrs. BORUP & OAKES, bankers, make collections at St. Paul free of charge: and at other points in Minnesota, Iowa, etc., free of charge beyond cost incurred. [For references, etc., see their Card on the cover of this work.]

BANK LOCKS.—Yale's patent duplex bank lock having been forced by "amateurs," notice is given on the cover of this work, by Mr. W. W. BACON, of New Haven, that he is prepared to furnish a new patent lock without key or key hole. (See his Card.)

SPRINGFIELD, ILL.—The old established house of N. H. RIDGELY, of Springfield Ill., has been changed to N. H. RIDGELY & Co., by the admission of Mr. C. RIDGELY, hitherto Cashier, as partner. (See their Card.)

Collections in the South and West.—Several new banking houses have commenced operations lately. The cards of these may be found on the cover of this work, and a complete list of all the banking houses, as well as of all the banks in the United States, may be found in the "Merchants and Bankers' Register," for 1859. The cards of bankers in the following places may be found on the cover of this magazine:

MASSACHUSETTS.—Boston.
 NEW YORK.—New York City, Geneva, Phelps.
 PENNSYLVANIA.—Philadelphia, Pittsburg, Scranton.
 DISTRICT OF COLUMBIA.—Washington.
 VIRGINIA.—Fredericksburg, Lynchburg, Richmond.
 MARYLAND.—Baltimore.
 CALIFORNIA.—Sacramento.
 ILLINOIS.—Beardstown, Chicago, Dixon, Kewanee, Moline, Peoria, Peru, Rockford, Quincy, Springfield, Warsaw.
 INDIANA.—Fort Wayne, New Albany, Richmond.
 IOWA.—Burlington, Cedar Rapids, Clinton, Fairfield, Davenport, Des Moines, Fort Dodge, Iowa City, Keokuk, Muscatine, Ottumwa.
 KENTUCKY.—Lexington, Louisville.
 MICHIGAN.—Battle Creek, Grand Rapids.
 MINNESOTA.—Minneapolis, St. Paul.
 MISSOURI.—Booneville, Glasgow, Hannibal, St. Louis.
 OHIO.—Cincinnati, Newark, Portsmouth, Sandusky, Toledo, Zanesville.
 TENNESSEE.—Memphis.—TEXAS.—Galveston, Palestine, San Antonio.
 WISCONSIN.—Milwaukee, Mineral Point.
 CANADA.—Kingston, &c.

Notes on the Money Market.

NEW YORK, APRIL 23, 1859.

Exchange on London, at Sixty days' sight, 9½ a 10 premium.

THE money market has remained quiet since our last issue until the beginning of this week. In consequence of the intelligence from Europe as to the prospects of war between France and Sardinia on one side, and Austria on the other, there is less disposition shown to invest in long paper or in public securities of the best order. Money has been abundant on call at 4 a 5 per cent., and for strictly prime paper at 5½ a 6 per cent.

The banks have increased their loans to \$129,192,000, and absorb nearly all the good paper that offers. There is, however, a large amount of acceptable paper passing through the hands of brokers, and taken by private capitalists at low rates. We quote as follows:

First class paper, 60 days to 4 months,.....	5½ a 6½ per cent.
" single names, 4 to 6 months,.....	5½ a 7 "
" indorsed, 6 months,.....	5½ a 6½ "
Loans on call, with State bonds as collaterals,.....	4 a 5 "
" with railroad shares collateral,.....	5 a 7 "

There are strong signs of increased activity in the numerous departments of trade and in manufactures throughout this State, in New England, Pennsylvania, &c. A renewed demand follows for bank accommodation. We find as the result of the last few months an enlarged volume of bank circulation and bank loans, without a commensurate increase of the specie reserve. We cannot look upon the condition of our foreign trade as being very flattering. The export of cotton to foreign ports already is in excess 300,000 bales beyond that of 1857-'8. This large export has been valued on and realized. For the next four or six months the export of this article will be quite limited. We have already received at the southern ports 3,200,000 bales, against 2,600,000 for last year. The export demand for breadstuffs is too limited to create any large basis for foreign exchange. At the same time our imports from abroad are largely in excess of 1858. The amount of dry goods put upon the market in one week this month, was \$3,400,000, against \$1,200,000 last year, and for this year thirty-five millions (in three months) against nineteen millions last year.

We are again following the example of the spring of 1857, when the importations were largely beyond the means of the country to pay for. Europe does not take breadstuffs and other produce to pay for these silks, cottons, woollens, iron, &c. England takes only as much as her own crops will not provide; but our importations are made with no reference to the ability of the country to meet the payments.

Our banks do not hold one dollar in coin beyond the per centage required by prudence and by a due regard to the balances due their creditors throughout the Union.

With sterling bills at ten per cent., and upwards of three millions per week imported in dry goods at New York alone, our readers may well inquire as to the prospect for money sixty or ninety days hence. The rates are low now, 5 a 7 per cent., but a continuance of sterling bills at 9½ a 10 per cent. for six or eight weeks, will cause a drain of one million in gold per week at least, and sooner or later create an active demand for money at enhanced rates.

There is a moderate demand for sterling, for remittance, at 110. Since the opening of the present year there has been a strong disposition shown by remitters to take sterling bills in preference to francs for the Continent. The intelligence from Europe to-day will probably make this more general. As long as there is war, or a prospect of war, in Southern Europe, bills on Paris and other continental points will be less valued than before. The purchaser takes the risk of all changes in the rate of exchange between the Continent and London, but hitherto sterling bills have been a good remittance for France, Germany, &c. The present price for bankers' bills

on Paris is 5.12½ a 5.11½. We annex the current rates at various periods in 1859 for bankers' bills on leading cities:

	Jan. 26.	Feb. 23.	March 23.	April 23.
London, 60 days, Bankers' Bills,.....	109½ a 109½	108½ a 109½	109½ a 109½	108½ a 110
Do do Mercantile Bills,	108½ a 109½	108½ a 109½	108½ a 109½	108½ a 108½
Do do with Bills of Lading, ..	107½ a 108½	107½ a 108½	107½ a 108½	106½ a 108½
Paris, 60 days' sight.....	515 a 513½	513½ a 513½	512½ a 511½	512½ a 511½
Antwerp, "	515 a 513½	513 a 513½	512½ a 511½	512½ a 511½
Hamburg, "	36½ a 36½	36½ a ..	36½ a 36½	37 a 37½
Bremen, "	79½ a 79½	79 a ..	79 a 79½	79½ a 79½
Amsterdam, "	41½ a 41½	41½ a ..	41½ a 41½	41½ a 41½

We are glad to note more activity in the domestic manufactures in this and the neighboring States. The annual product of the boot and shoe business of Massachusetts was (according to the State Census), in 1855, \$37,489,000, being eleven millions in excess of the annual value of the cotton manufactures of the State, and exceeding the combined value of cotton goods, calicoes, and all the bleached and colored goods. The boot and shoe business is increasing rapidly in value in that State, while New York is the leading point for the import of hides and for the sale of domestic boots and shoes. We observe that a large meeting of shoe-dealers and manufacturers was held this month at the Shoe and Leather Exchange, Boston, and, after discussion, a committee of nine was appointed to confer with the New York dealers, with a view of procuring a more accurate inspection of sole leather.

The Boston Board of Trade have recommended the discontinuance of "Branch Houses," at New York, for the sale of Massachusetts cotton goods, trusting that all the buyers of these goods would go to Boston for them. This policy, if carried out, would defeat the objects of manufacturers, who, as a class, will gladly avail themselves of all facilities existing at home for the sale of goods, but will likewise avail themselves of any superior facilities existing elsewhere for the foreign and domestic export trade. Such an interference with the legitimate laws of trade as is recommended by the Board of Trade, would, if carried out, create a market for the goods manufactured at Philadelphia, Providence, and other points.

The manufacturing towns of Rhode Island and of Massachusetts have discovered, what the Boston Board of Trade is slow to discover, that New York is the best market for their cotton goods, boots, shoes, &c.

The demand for State loans during the month of April has been steady, with large sales of Missouri Sixes for western banks at 86½ a 88½. The new loan of the State of North Carolina was taken at 99 a 101½; Georgia Six per cents. have been steady at 100 a 101. In Ohio and Kentucky State loans, the sales are quite small; Tennessee Sixes have advanced two per cent.; in other State bonds the changes are very slight. Holders generally ask from 1 to 2 per cent. above present quotations. United States Six per cents. of 1868 are in demand at 109½; new Five per cents. have sold at 104½ a 104½, and close at 104½ offered; 108½ asked.

	Mar. 4th.	11th.	18th.	25th.	April 1st.	8th.	15th.	22d.
U. S. 6 per cents. 1867-8.....	108½	109½	109	109½	109	109	109	109½
U. S. 5 per cents. 1874.....	103½	103½	104	104½	104½	104½	104½	104½
Ohio 6 per cents. 1886.....	109	..	108	108	108	108	109	108
Kentucky 6 per cents.....	104½	104½	104	104	103½	103½	103½	104
Indiana 5 per cents.....	90	91	91½	90	90½	90½	90½	94½
Pennsylvania 5 per cents.....	92	92	93	92½	93	92½	93	94½
Virginia 6 per cents.....	96½	98½	97½	98	98	98½	99½	101
Georgia 6 per cents.....	100	100	100	101	100	100	101½	101
California 7 per cents. 1877,....	84½	84½	81	80	81½	82	85	84½
North Carolina 6 per cents.....	98½	98½	99	99	100	101½	100½	100½
Missouri 6 per cents.....	85½	85½	85½	86	86½	86½	86½	87½
Louisiana 6 per cents.....	93	94	93	96	93	96	96	95
Tennessee 6 per cents.....	90½	91½	90½	91½	92½	93½	93½	93½

The limited business done on our railroads this year induces most persons to withhold orders for shares. We note a decline in almost every instance since the close of March. The competition on the leading roads from Atlantic cities to the West is at present too strong to insure a profit to the shareholders. By the following comparative table it will be seen that New York Central Railroad shares have declined 5 per cent. since the last week in March; New York and

Erie, $\frac{1}{2}$; Michigan Southern, $\frac{1}{2}$; Illinois Central, $\frac{1}{2}$; Chicago and Rock Island, $\frac{1}{2}$; Milwaukee, 2; Galena and Chicago, $\frac{1}{2}$. The others are somewhat higher :

	Mar. 4th.	11th.	18th.	25th.	April 1st.	8th.	15th.	22d.
N. Y. Central R. R. shares,.....	81 $\frac{1}{2}$	80 $\frac{1}{2}$	79 $\frac{1}{2}$	79	76 $\frac{1}{2}$	75 $\frac{1}{2}$	77 $\frac{1}{2}$	74
N. Y. and Erie R. R. shares,....	12 $\frac{1}{2}$	11	11	10 $\frac{1}{2}$	10	9 $\frac{1}{2}$	9 $\frac{1}{2}$	9 $\frac{1}{2}$
Harlem R. R. shares,.....	13	12 $\frac{1}{2}$	11 $\frac{1}{2}$	12	11 $\frac{1}{2}$	12 $\frac{1}{2}$	13 $\frac{1}{2}$	12 $\frac{1}{2}$
Reading R. R. shares,.....	49 $\frac{1}{2}$	49 $\frac{1}{2}$	49	49 $\frac{1}{2}$	50 $\frac{1}{2}$	50	50	50 $\frac{1}{2}$
Hudson River R. R. shares,....	31 $\frac{1}{2}$	32	31 $\frac{1}{2}$	31 $\frac{1}{2}$	33 $\frac{1}{2}$	33 $\frac{1}{2}$	33 $\frac{1}{2}$	32 $\frac{1}{2}$
Michigan Central R. R. shares,.	53 $\frac{1}{2}$	52 $\frac{1}{2}$	51 $\frac{1}{2}$	51 $\frac{1}{2}$	50 $\frac{1}{2}$	50 $\frac{1}{2}$	54	52 $\frac{1}{2}$
Michigan Southern R. R. shares,.	18 $\frac{1}{2}$	16 $\frac{1}{2}$	13 $\frac{1}{2}$	13 $\frac{1}{2}$	12 $\frac{1}{2}$	13 $\frac{1}{2}$	14	12 $\frac{1}{2}$
Panama R. R. shares,.....	117 $\frac{1}{2}$	117	117 $\frac{1}{2}$	117	117 $\frac{1}{2}$	120	121	122 $\frac{1}{2}$
Baltimore & Ohio R. R. shares,.	62 $\frac{1}{2}$	59 $\frac{1}{2}$	59 $\frac{1}{2}$	58 $\frac{1}{2}$	58 $\frac{1}{2}$	59 $\frac{1}{2}$	59	58 $\frac{1}{2}$
Illinois Central R. R. shares,....	69 $\frac{1}{2}$	69	67 $\frac{1}{2}$	67	67 $\frac{1}{2}$	68 $\frac{1}{2}$	68 $\frac{1}{2}$	66 $\frac{1}{2}$
Cleveland and Toledo R.R.	29 $\frac{1}{2}$	27 $\frac{1}{2}$	23 $\frac{1}{2}$	24 $\frac{1}{2}$	25 $\frac{1}{2}$	24 $\frac{1}{2}$	27	25 $\frac{1}{2}$
Chicago and Rock Island R. R.	62	60 $\frac{1}{2}$	59 $\frac{1}{2}$	58 $\frac{1}{2}$	55 $\frac{1}{2}$	56 $\frac{1}{2}$	58 $\frac{1}{2}$	57 $\frac{1}{2}$
Milwaukee and Miss. R. R.	12 $\frac{1}{2}$	11 $\frac{1}{2}$	8 $\frac{1}{2}$	8	5	7	7	6
Galena & Chicago R. R. shares,.	71	70 $\frac{1}{2}$	68 $\frac{1}{2}$	68	66 $\frac{1}{2}$	67	68 $\frac{1}{2}$	66 $\frac{1}{2}$

Railroad bonds are generally lower, except in what are termed first mortgages. The latter show improved values and are better sustained than railroad shares. Erie sinking fund bonds are held 25 $\frac{1}{2}$ a 28; Convertibles of 1871, 25 $\frac{1}{2}$ a 27 $\frac{1}{2}$.

	Mar. 4th.	11th.	18th.	25th.	April 1st.	8th.	15th.	22d.
Erie Railroad 7's, 1859,.....	83 $\frac{1}{2}$	84	84	85	83 $\frac{1}{2}$	82 $\frac{1}{2}$	82 $\frac{1}{2}$	82
Erie Sinking Fund bonds,.....	39	36 $\frac{1}{2}$	36 $\frac{1}{2}$	36	31	31	31	25
Erie Convertibles, 1871,.....	36	34	33	32	30 $\frac{1}{2}$	30	30	25
Hudson River R. R. 1st mort....	101 $\frac{1}{2}$	102	102	102	102	102	103	103 $\frac{1}{2}$
Panama Railroad bonds,.....	115	117	117	117	118	120	121	120
Illinois Central bonds, 7's,.....	89 $\frac{1}{2}$	90 $\frac{1}{2}$	90 $\frac{1}{2}$	90 $\frac{1}{2}$	87 $\frac{1}{2}$	88 $\frac{1}{2}$	88 $\frac{1}{2}$	82 $\frac{1}{2}$
New York Central bonds, 6's....	91 $\frac{1}{2}$	92	92	92 $\frac{1}{2}$	93	94	94 $\frac{1}{2}$	94
Canton Co. shares,.....	20 $\frac{1}{2}$	20	19 $\frac{1}{2}$	19 $\frac{1}{2}$	19 $\frac{1}{2}$	19 $\frac{1}{2}$	19 $\frac{1}{2}$	19
Pennsylvania Coal Co.,.....	81 $\frac{1}{2}$	80 $\frac{1}{2}$	81	80 $\frac{1}{2}$	80	80 $\frac{1}{2}$	81 $\frac{1}{2}$	81
Cumberland Coal Co.,.....	24 $\frac{1}{2}$	23 $\frac{1}{2}$	23 $\frac{1}{2}$	23 $\frac{1}{2}$	23 $\frac{1}{2}$	—	21 $\frac{1}{2}$	21
Del. and Hudson Canal Co.,....	99	98 $\frac{1}{2}$	98 $\frac{1}{2}$	100 $\frac{1}{2}$	97	97 $\frac{1}{2}$	96 $\frac{1}{2}$	96 $\frac{1}{2}$
La Crosse Land Grant bonds,...	21 $\frac{1}{2}$	18	16 $\frac{1}{2}$	19 $\frac{1}{2}$	17 $\frac{1}{2}$	18	16	17
Pacific Mail Steamship Co.,....	77	77	77 $\frac{1}{2}$	78	79 $\frac{1}{2}$	84 $\frac{1}{2}$	86 $\frac{1}{2}$	86 $\frac{1}{2}$

Delaware and Hudson Canal Shares have this month paid a dividend of 3 per cent., which leads to a decline in prices. For new issue of Panama bonds, holders ask 110 a 115; Hudson River 1st Mortgage, 103 $\frac{1}{2}$ a 104 $\frac{1}{2}$. The following are the inside and outside prices of first-class railroad mortgages :

New York and Harlem 1st Mortgage bonds,.....	94 $\frac{1}{2}$ a 95
New York and Harlem 2d Mortgage, 1864,.....	89 a 90
New York and Harlem 3d Mortgage, 7 per cent.,.....	79 a 82
Michigan Central 1st Mortgage, 8 per cent.,.....	95 a 95 $\frac{1}{2}$
La Crosse and Milwaukee 1st Mortgage, 8 per cent.,.....	70 a 75
Reading 1st Mortgage, 1860, 6 per cent.,.....	93 a 95
New York Central 7's, 1860-1870,....	103 $\frac{1}{2}$ a 104 $\frac{1}{2}$

The following are the current values of city bonds :

Name.	Per cent.	Price.	Name.	Per cent.	Price.
New York, 1860,.....	5	99 $\frac{1}{2}$ a —	Louisville, Railroad,.....	6	72 a 73
New York, 1875,.....	5	93 a 95	Louisville, 1887,.....	6	81 a 82
New York, 1890,.....	5	90 a 93	St. Louis Municipal,.....	6	86 $\frac{1}{2}$ a 87
Albany, 1871-81,.....	6	100 a 101	Chicago,.....	6	85 a 86
Brooklyn "Water Loan,"... 6	102 $\frac{1}{2}$ a 102 $\frac{1}{2}$		Chicago,.....	7	97 a 99
Philadelphia,.....	6	99 $\frac{1}{2}$ a 99 $\frac{1}{2}$	Memphis,.....	6	65 a —
Rochester Coupon bonds,...	6	— a 97	Memphis Guaranteed,.....	6	78 $\frac{1}{2}$ a —
Baltimore Coupon bonds,...	6	99 $\frac{1}{2}$ a 100	New Orleans "Municipal,"...	6	90 a 92
Cincinnati Municipal,.....	6	90 a 95	New Orleans, Railroad,.....	6	75 a 80
Cleveland,.....	7	101 a 103	San Francisco,.....	10	89 a 93

The movements of the banks of the leading cities during the month of April, show a further disposition to expand. The loans in New York city are larger than in March, with less specie on hand. Boston, Philadelphia, and St. Louis, also show a larger line of discounts. The following are the latest returns :

	<i>Loans.</i>	<i>Specie.</i>	<i>Circulation.</i>	<i>Deposits.</i>
New York City, April 23,.....	\$129,192,000	\$26,000,000	\$8,289,000	\$22,955,000
Philadelphia, April 16,.....	22,108,000	6,401,000	3,364,000	22,348,000
Baltimore, January 1,.....	17,960,000	2,717,000	2,972,000	7,520,000
Boston, April 16,.....	58,946,000	6,496,000	6,985,000	21,606,000
New Orleans, April 9,.....	31,140,000	16,250,000	12,985,000	24,642,000

In the item of "deposits" at New York, Philadelphia, Boston, and New Orleans, are included cash balances due to other banks.

The annexed table shows the changes for the present month in the banking movements of the city, compared with the first week of each month in 1858 [fractions omitted] :

1858.	<i>Loans.</i>	<i>Circulation.</i>	<i>Deposits.</i>	<i>Sub-Treasury.</i>	<i>Bank Specie.</i>	<i>Total Specie.</i>
Jan. 2,	\$98,549,000	\$6,490,000	\$78,635,000	\$3,259,000	\$28,561,000	\$31,820,000
Feb. 6,	103,602,000	6,873,000	86,000,000	3,168,700	30,652,900	33,821,600
Mar. 6,	105,021,000	6,854,000	90,382,000	2,996,700	32,739,700	35,736,400
April 3,	110,588,000	7,232,000	93,589,000	5,548,000	31,530,000	37,078,000
May 1,	111,868,000	7,431,000	98,438,000	3,145,000	33,064,200	38,209,200
June 5,	116,424,000	7,548,000	101,489,000	5,263,300	32,790,300	39,053,600
July 3,	119,812,000	7,458,000	106,803,000	5,820,000	33,830,200	40,649,000
Aug. 7,	120,892,000	7,784,000	107,454,000	5,553,000	35,145,000	41,125,000
Sept. 4,	125,885,000	7,748,000	103,347,000	13,077,000	28,848,000	41,125,000
Oct. 2,	123,659,000	7,875,000	104,901,000	11,100,600	28,533,000	39,633,700
Nov. 6,	126,809,000	8,186,000	109,217,400	8,256,000	26,337,300	34,593,300
Dec. 4,	126,338,000	7,837,000	89,541,000	6,345,500	27,407,700	33,753,200
1859.						
Jan. 8,	128,538,000	7,930,000	92,826,000	4,202,200	28,399,800	32,602,000
Feb. 5,	130,442,000	7,950,000	91,965,000	8,103,000	25,991,000	34,095,000
Mar. 5,	125,221,000	8,071,000	88,400,000	7,145,900	26,799,900	33,915,800
Mar. 28,	127,751,000	7,998,000	86,343,000	8,045,000	25,182,000	33,227,000
April 2,	128,702,000	8,221,000	87,737,000	7,186,000	25,732,000	32,918,000
April 9,	129,865,000	8,449,000	88,142,000	7,232,000	25,741,000	32,974,000
April 16,	129,968,000	8,293,000	88,087,000	7,079,000	25,478,000	32,557,000
April 23,	129,192,000	8,289,000	88,955,000	6,894,000	26,063,000	32,963,000

DEATHS.

At NEW ORLEANS, April 2, aged thirty-four years, LOGAN McKNIGHT, Esq., a prominent citizen of that city. Mr. McKnight was one of the leading merchants of New Orleans. President of the Board of Currency of that city, and son of Virgil McKnight, President of the Bank of Kentucky.

At MONTREAL, CANADA, Wednesday, March 23, JACOB DE WITT, President of La Banque du Peuple, aged seventy-three years and six months.

At DOVER, N. J., on Tuesday, April 12, ELISHA C. SEGUZ, Cashier of the Union Bank, aged twenty-five years.

THE
BANKERS' MAGAZINE,
AND
Statistical Register.

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VOL. VIII. NEW SERIES.      JUNE, 1859.      No. 12.  
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THE PRICES OF CONSOLS.

I. *Changes since 1844.* II. *Prices during the Eighteenth Century.* III. *Causes of decline between the years 1700 and 1800.* IV. *Causes of decline in the Nineteenth Century.*

1. NOTWITHSTANDING the more abundant supply of capital in Europe during the present century, there are only four years in which the price of Consols has reached par. These were the years 1844 and 1845, just before the railway explosions in England, and in 1852 and 1853, just before the Russian war. The range in these years was :

<i>Year.</i>	<i>Highest.</i>	<i>Lowest.</i>
1844,.....	101½	98½
1845,.....	100½	91½
1852,.....	101½	95½
1853,.....	101	90½

Since then the range has been as follows :

<i>Year.</i>	<i>Highest.</i>	<i>Lowest.</i>
1854,.....	95½—August and Oct.	85½—March.
1855,.....	93½—March.	86½—October.
1856,.....	96 —July.	90 —February.
1857,.....	94½—January.	87½—October.
1858,.....	98½—November.	94½—January.

The public funds of Great Britain have undergone some fearful vicissitudes. In 1700, on the death of the King of Spain, they fell to 50 per cent. After the peace of Utrecht, in 1715, they rapidly rose, and between 1730 and the rebellion in 1745 were never below 89 ; but during the rebellion, sank to 75. They fell to 53, in 1782, at the close of the American war ;

and, mounting afterwards to $97\frac{1}{2}$, in 1792, fell in 1798 to $47\frac{1}{2}$. This was the lowest they ever reached. Between that and the highest point, 107, attained in the year 1737, the difference was equivalent to 127 per cent., sufficient to annihilate many fortunes, or to confer great wealth on those who purchased when the funds were at the lowest. From 1755 to 1844, a period of nearly ninety years, Consols were always below par.

In the eighteenth century Consols were frequently and for long periods at or above par, viz.:

Year.	Highest Price.	Lowest Price.	Year.	Highest Price.	Lowest Price.
1732,....	101 per cent.	96 per cent.	1743,....	108 per cent.	100 per cent.
1733,....	103 "	92 "	1749,....	102 "	91 "
1736,....	103 "	100 "	1750,....	101 "	98 "
1737,....	107 "	105 "	1751,....	103 "	97 "
1738,....	106 "	102 "	1752,....	106 "	101 "
1739,....	105 "	97 "	1753,....	106 "	104 "
1740,....	101 "	98 "	1754,....	104 "	102 "
1741,....	101 "	98 "	1755,....	101 "	90 "
1742,....	102 "	98 "			

From the latter year (1755) they did not reach par until the year 1844, (ninety years).

The most trying periods of the present century to Great Britain were in the years 1802-3, 1814-15, 1819, 1825, 1830 and 1847. Of the causes of the depreciation it may be said that the rapid depreciation in 1802-3, was the result of the war with NAPOLEON. In 1814-15, that of the hundred days and the battle of Waterloo. In 1819, the commercial and bank failures were greater than ever before known. In 1825 a reaction took place after great expansion; eminent banking and mercantile firms failed, and credit was shaken.

In 1830 the French Revolution caused a severe disturbance of the commercial circles of Europe, and the fall of 1847 was caused by the critical condition of the Bank of England, the famine in Ireland and general distress among commercial men. It was greater than had been known during the prior eighteen years, exceeding that which followed the declaration of war by the French Convention, the first bank suspension, (1797,) and the Irish Rebellion of 1798. On the other hand we see, in 1853-4, and '5, Great Britain and France engaged in an expensive war, their grain resources materially cut off from the East, an immense export of gold, and yet three per cent. Consols are higher than during the peaceful periods of 1846-7.

The extraordinary decline in the above mentioned period will appear by the following summary:

Year.	Highest.	Lowest.
1745-6—Rebellion,.....	92	75
1778 —American Revolution,.....	72	61
1782 — Do. do.....	61	53
1794-5—French Revolution,.....	72 $\frac{1}{2}$	61
1797-8—Failure of the Bank,.....	58	47 $\frac{1}{2}$
1803 —French War,.....	73	50 $\frac{1}{2}$
1814 — Do.	72 $\frac{1}{2}$	61 $\frac{1}{2}$
1815 —Return of Napoleon,.....	65 $\frac{1}{2}$	51 $\frac{1}{2}$
1819 —Commercial failures,.....	79	64 $\frac{1}{2}$
1830 —French Revolution,.....	94 $\frac{1}{2}$	77 $\frac{1}{2}$
1847 —Famine year in Ireland,.....	94	78 $\frac{1}{2}$

In order to render more complete a survey of the fluctuations in the English market, we annex a tabular view of the highest and lowest prices of Bank of England stock, with the bank annual dividends, and of English Consols, from the year 1730 to the end of 1858:

Year.	Div. per ct.	Bank Stock.		Consols.		Year.	Div. per ct.	Bank Stock.		Consols.	
		High.	Low.	High.	Low.			High.	Low.	High.	Low.
1730,....	5½	..	..	..	..	1795,....	7	150	153	70½	61
1731,....	5½	..	..	99	94	1796,....	7	180	149	70½	58½
1732,....	5½	159	109	101	96	1797,....	7	146	115	56½	47½
1733,....	5½	151	180	103	93	1798,....	7	188	113	58	47½
1734,....	5½	140	182	94	90	1799,....	7	176	184	69	52½
1735,....	5½	146	188	98	92	1800,....	6½	175	154	67½	60
1736,....	5½	151	148	108	100	1801,....	7	190	148	70	54½
1737,....	5½	151	142	107	105	1802,....	7	207	178	79	66
1738,....	5½	145	140	106	102	1803,....	7	193	136	73	50½
1739,....	5½	144	115	105	97	1804,....	7	169	146	58½	58½
1740,....	5½	144	138	101	98	1805,....	7	197	167	62	57
1741,....	5½	143	185	101	98	1806,....	7	223	191	64½	59½
1742,....	5½	143	136	102	93	1807,....	10	235	209	64½	57½
1743,....	5½	143	145	103	100	1808,....	10	240	224	69½	62½
1744,....	5½	143	116	99	90	1809,....	10	258	225	70½	63½
1745,....	5½	147	183	92	85	1810,....	10	276	278	71	63½
1746,....	5½	186	125	89	75	1811,....	10	251	229	66½	61½
1747,....	5	129	119	86	81	1812,....	10	232	212	68	55½
1748,....	5	129	117	91	76	1813,....	10	243	211	67½	54½
1749,....	5	140	123	102	91	1814,....	10	266	234	72½	61½
1750,....	5	186	181	101	98	1815,....	10	263	219	65½	53½
1751,....	5	142	185	103	97	1816,....	10	262	215	64½	59½
1752,....	5	149	141	106	101	1817,....	10	294	220	84½	63
1753,....	4½	144	185	106	104	1818,....	10	299	207	82	73
1754,....	4½	185	130	104	102	1819,....	10	267	210	79	64½
1755,....	4½	162	119	101	90	1820,....	10	226	215	70½	65½
1756,....	4½	121	114	90	88	1821,....	10	240	231	73½	68½
1757,....	4½	120	115	91	86	1822,....	10	253	235	88	75½
1758,....	4½	123	116	98	89	1823,....	8	246	204	85½	73
1759,....	4½	123	109	88	79	1824,....	8	245	227	96½	84½
1760,....	4½	114	101	68	76	1825,....	8	299	196	94½	75
1761,....	4½	116	98	88	66	1826,....	8	263	193	84½	73½
1762,....	4½	119	91	87	63	1827,....	8	217	200	99½	76½
1763,....	4½	181	111	96	83	1828,....	8	215	203	89½	80½
1764,....	4½	127	112	86	80	1829,....	8	218	203	94½	85½
1765,....	5	136	126	91	85	1830,....	8	203	194	94½	77½
1766,....	5	139	185	90	87	1831,....	8	204	189	84½	74½
1767,....	5½	159	142	91	87	1832,....	8	208	185	85½	81½
1768,....	5½	190	158	93	83	1833,....	8	213	190	91½	84½
1769,....	5½	175	149	89	84	1834,....	8	225	211	98	87½
1770,....	5½	153	105	87	78	1835,....	8	225	208	92½	89½
1771,....	5½	153	184	88	81	1836,....	8	219	199	92½	86½
1772,....	5½	153	144	95	87	1837,....	8	212	208	98½	87½
1773,....	5½	143	139	87	86	1838,....	9	208	201	95½	90½
1774,....	5½	146	139	89	86	1839,....	7	208	177	98½	89½
1775,....	5½	146	141	90	87	1840,....	7	179	156	93½	85½
1776,....	5½	143	184	90	81	1841,....	7	173	157	90½	87½
1777,....	5½	138	123	80	76	1842,....	7	173	165	96½	88½
1778,....	5½	120	107	72	61	1843,....	7	185	172	97½	92½
1779,....	5½	119	106	64	59	1844,....	7	211	185	101½	96½
1780,....	5½	116	109	63	60	1845,....	7	215	199	100½	91½
1781,....	5½	119	105	59	56	1846,....	7	211	199	97½	93½
1782,....	6	124	109	61	53	1847,....	7	206½	180	94	78½
1783,....	6	134	112	68	53	1848,....	7	202	183	90	79½
1784,....	6	118	110	57	54	1849,....	7	200	188½	97½	85½
1785,....	6	142	111	71	55	1850,....	7	216	203	98½	98
1786,....	6	153	138	*	..	1851,....	7	216½	210	99½	95½
1787,....	6	160	145	73	69	1852,....	7½	234½	215½	101½	95½
1788,....	7	178	153	*	..	1853,....	8	230½	208	101	90½
1789,....	7	191	169	81½	71½	1854,....	8	221	204½	96½	85½
1790,....	7	183	164	80½	70½	1855,....	8	218	207	98½	86½
1791,....	7	204	173	89½	75½	1856,....	8	220	207	96	90
1792,....	7	219	171	97½	73½	1857,....	8	223	209	94½	87½
1793,....	7	130	161	81	70½	1858,....	9	220	217	98½	94½
1794,....	7	169	153	72½	62½						

* Prices of Consols for the years 1786 and 1788 could not be obtained from any published records.

Prices of Consols each month, 1854-1858.

Month.	1854.		1855.		1856.		1857.		1858.	
	High.	Low.	High.	Low.	High.	Low.	High.	Low.	High.	Low.
January,.....	93½	89½	92½	90½	91½	85½	94½	92½	95½	94½
February,.....	92½	90½	91½	90½	92½	90	93½	92½	97½	95½
March,.....	91½	85½	93½	91	93½	91	93½	93	97½	96½
April,.....	89½	85½	93	85½	93½	91½	93½	92½	97½	96½
May,.....	91½	87	92½	86½	95½	92½	94	92½	98	97½
June,.....	94½	89½	92½	90½	95½	92½	94	93½	97½	97½
July,.....	94½	90½	91½	90½	96	95½	92½	90½	96½	95
August,.....	95½	92	91½	90½	95½	94½	91½	89½	97	96
September,.....	95½	94½	91½	88½	95½	91½	91	89½	97½	96½
October,.....	95½	94½	88½	86½	93½	91	90½	87½	98½	97½
November,.....	95	90½	89½	87½	94½	92	91½	88½	98½	97½
December,.....	92½	90	89½	87½	94½	94½	91½	91	97½	96½

THE DECLINE IN THE VALUE OF GOLD.

VIEWS OF M. CHEVALIER AND MR. RICHARD COBDEN.

A VOLUME of 210 pages has been issued by Messrs. APPLETON & Co., entitled "On the Probable Fall in the Value of Gold; the Commercial and Social Consequences which may ensue, and the Measures which it invites. By MICHEL CHEVALIER, Member of the Institute of France, &c. Translated from the French, with a Preface, by RICHARD COBDEN, Esq." The work is divided into seven heads, viz.: I. Preliminary observations. II. An appeal to some of the fundamental notions upon the nature and characteristics of money. III. On the present production of gold, and its outlet. IV. Of the new outlet that may be expected for the production of the new gold mines, and whether it will be in proportion to the extent of this production. V. On the part assigned to gold in the monetary legislation of France. VI. Consequences of the fall in the value of gold. VII. Of the measures to be taken to avert the evil effects of the fall of gold.

The "fall in the value of gold" is only another name for a rise in prices. This rise has occurred since 1849, as every business man has experienced, but mainly in the prices of labor, and in all manufactures in which labor mostly is involved. It is far different with those articles produced mainly by machinery. The extraordinary additions to the supply of gold since 1849, now dispersed among a population of 300 or 400 millions of people are, perhaps, no more *pro rata* than those which followed the discovery of America, when commercial operations were confined almost entirely to the people of Europe. Gold and silver maintain at this day about the same relative values that existed before the discovery of gold in California. The difference is nominal—say 4 to 10 per cent. In the consideration of the subject of supply and consumption, we are apt to lose sight of the quantities of the precious metals used in the arts, estimated in this country at fifteen to twenty millions annually, and in Europe at fifty or sixty millions. In the State of New-York alone, there is annually used in manufactures upwards of twenty millions in various metals, pro-

ducing, according to the census, forty-three millions in manufactured articles. Of this large sum, gold and silver form quite a prominent part.

In M. CHEVALIER's volume he predicts a decline of one-fourth or one-third in the value of gold. Mr. COBDEN, by translating and introducing the work, confirms this idea; but it would seem that the increase is spread over such a large surface that this result need not follow.

The accumulations of gold have been very great since 1849, without as yet disturbing seriously the relative values between gold and silver. These additions to the stock of gold have been estimated as follows:

Year.	Sterling.		Federal.
1851,.....	£8,654,000	or	\$42,270,000
1852,.....	15,194,000	"	75,970,000
1853,.....	22,435,000	"	112,175,000
1854,.....	22,077,000	"	110,385,000
1855,.....	19,875,000	"	99,375,000
1856,.....	21,275,000	"	106,375,000
1857,.....	21,366,000	"	106,830,000
1858,.....	22,000,000	"	110,000,000

During the seven years ending with 1857, the export of silver to the East from Great Britain and the Mediterranean, was over two hundred and fifty millions of dollars. We add the annual details, with the London market price of silver per ounce:

Year.	Export.		Dollars.	Price.
1851,.....	£1,716,000	or	\$8,580,000	61½d.
1852,.....	2,630,000	"	13,150,000	60½d.
1853,.....	5,559,000	"	27,795,000	61½d.
1854,.....	4,583,000	"	22,915,000	61½d.
1855,.....	7,934,000	"	39,670,000	60½d.
1856,.....	14,108,000	"	70,540,000	60d.
1857,.....	20,146,000	"	100,730,000	61½d.
Total,.....	£56,676,000	or	\$283,380,000	

As the volume is within the reach of bankers generally, we will now extract the preface by Mr. COBDEN, to give our readers a correct idea of the value of the work:

The substance of the work, of which the following pages are a translation, appeared originally in the *Revue des deux Mondes*, in the autumn of 1857, and was afterwards reprinted in a pamphlet form. The author has since re-written and enlarged it to double the original size. The present translation will appear simultaneously with the French edition.

The question of the probable fall in the value of gold, and the consequent rise in that of all other commodities, wherever gold is the standard of value, has not hitherto attracted so much attention in this country as it has in France, or as its great importance would seem to demand. In introducing the Bank Act of 1844, Sir ROBERT PEEL said: "There is no contract, public or private, no engagement, national or individual, which is unaffected by it. The enterprises of commerce, the profits of trade, the arrangements made in all the domestic relations of society, the wages of labor, pecuniary transactions of the highest amount and the lowest, the payment of the national debt, the provision for the national expenditure, the command which the coin of the smallest denomination has over

the necessities of life, are all affected by the decision to which we may come on that great question which I am about to submit to the consideration of the committee." The main object which the author of the present Bank Act had in view, was to prevent those fluctuations in the amount of the currency which were alleged to have arisen from the arbitrary action of the Bank of England, and which rarely exceeded two or three millions in the course of a long series of years. With much greater force, then, must his expressions apply to the present state of things, when an *annual* increase in the production of gold of nearly thirty millions has suddenly taken place, more than the half of which finds its way to our shores.

It is estimated by M. CHEVALIER, that the present yield of gold amounts, in ten years, to about as much as the entire production during the 356 years which intervened between the date of the discovery of America by Columbus, and the year 1848, when the mines of California were discovered. It is probable that the present production of gold amounts to five times that of the year 1847. Had such an increase occurred in the supply of any article, such as corn, sugar or cotton, of which the whole annual produce is consumed within a couple of years, it would have probably caused a depreciation to the extent of nine-tenths of its value. But owing to the large stock of gold in existence, amounting to probably more than twenty or thirty times even its present yearly production, it takes some time to effect its volume to any appreciable extent. Unless, however, the cardinal rule of commerce, that quantity governs price, which applies infallibly to all other commodities, loses its force when gold is concerned, this sudden and great increase must be followed by a reduction of value.

That so little effect should have hitherto been produced upon the value of this precious metal, especially as measured by its relation to silver, is accounted for by a reference to what is now passing in France, where the gradual substitution of a gold for a silver currency has, during the last eight years, absorbed the greater portion of the gold imported into Europe from the new mines. On this subject M. CHEVALIER has given us some very striking statistical facts. France has in this way, to use his expression, been the "*parachute*" which has retarded the fall in gold. It will be seen that his main object has been to induce the French government to put an end to this, by adopting in practice what he maintains has always been the theory of the French law—a silver standard. Should his arguments be successful, (and it is difficult to see how the French government can resist his facts and reasonings—certainly it can never answer them,) or should the process of absorption cease, from the exhaustion of the stock of silver held in France, then we may anticipate a more rapid fall in the value of gold.

It will be seen that M. CHEVALIER does not recommend the adoption of any legislative measures to meet the change in this country. He considers that gold having been avowedly the legal tender and the sole standard of value in England, and all existing contracts having been entered into with that knowledge, the parties to them must, so far as the legislature is concerned, abide the consequences of any *natural* disturbance of the value of this metal.

But although government may have no right to interfere with the past,

it ought not to be so summarily excluded from all interference with the future, at least to an extent necessary to facilitate voluntary contracts involving payments otherwise than in gold. An able writer on the currency [Mr. JAMES MACLAREN] has recommended the establishment of life insurance companies on the basis of a silver standard. Should a great and rapid depreciation of gold take place, some such precaution as this, in all contracts extending over a long period of time, may be necessary. It would then be a convenience to have the relative values of gold and silver periodically published under the authority of a law, by the Bank of England for instance, computed from the exchanges of the day with those countries, such as Holland and Belgium, where a silver standard exists.

Another mode of evading the consequences of a depreciation of the currency might be found in a resort to something like the primitive practice of paying in kind. Where long engagements, such as farm leases, are entered into, the parties might stipulate for a rent to be regulated by the prices of produce, upon the principle of the tithe commutation rent charge. In this, as in all other bargains and investments, it will only remain for individuals to take such precautions as are in their power to guard themselves from the consequences of the impending change. Should the views of M. CHEVALIER be realized, there will be much anxious deliberation as to the best mode of escaping from the effects of a universal derangement in the value of labor and property. Wages and salaries of all kinds would eventually rise in proportion to the enhanced price of commodities, but the transition would, I fear, be accompanied with much inconvenience and suffering. The rise would not be steady and continuous, but would be effected by leaps, and after struggles which would tend to derange and convulse the relations of capital and labor. With respect to those who have property to invest, they would, as a rule, avoid those investments which yield incomes of a fixed amount of money, such as dividends from the funds, interest from bonds and mortgages, as well as annuities, rent charges, ground rents, guaranteed stock, &c.; whilst property of an expansive nature, which rises in proportion to the depreciation of the currency, such as land, houses, shares, &c., would be preferred.

The merchant and trader who balance their transactions in two or three, or at the utmost six months, would be but slightly affected, in so far as the value of their capital is concerned, by the depreciation of the standard; but they would experience the evil in another form. The tendency to a general rise in prices would lead to an expansion of credit, and an increase of speculation, which would be followed by panics and convulsions of greater violence and more frequent recurrence than have been hitherto experienced. Instead of a crisis visiting the commercial world once in each decade, its return might be expected every five years. The manufacturer would probably find it more difficult to procure the raw material of his industry at remunerating prices, for speculation will always be directed towards raw products in preference to manufactured articles. This was the case previous to the late panic; and even at the present moment, whilst we are still in the eddy of a crisis, the prices of the raw materials of our staple manufactures maintain a high value, *as compared with any corresponding previous period*. The very nature of the trade created by the new gold mines is calculated to increase this evil;

for it cannot be denied that it is a sterile commerce which yields neither raw material nor capital. I speak of that portion of the new gold, probably more than seven-eighths of the whole, which passes through the Mint and enters into the currency; the effect of which is, instead of increasing the supply of food, raw material or capital, simply to render more bulky and abundant an instrument of exchange, the chief merit of which before consisted in its scarcity and portability.

It may be well to caution the reader against falling into any misapprehension as to the author's views respecting the amount of depreciation to be expected. Although throughout his argument he assumes that gold will fall to the half of its present value, yet he more than once explains that he does so only for clearness of illustration, and not because he predicts any certain amount of depreciation. At the same time, he draws the conclusion, from the facts of the case, that there must be a fall in the value of gold in consequence of its greatly increased quantity. In this view he will be supported by all our great authorities on the currency, to whatever party they may belong.

There have been two schools in this country, on the monetary question, the one having at its head Lord OVERSTONE, who has attributed great fluctuations in the prices of commodities to the action of the Bank on the currency; and the other, represented by the late Mr. TOOKE, who maintained that, so long as the notes of the Bank were convertible into gold on demand, they could not become depreciated or cause a rise of prices. But the latter authority would have been as ready as the former to admit that any large addition to the quantity of *metallic money* must lead to a diminution of its value. It seems, however, that the disciple, [Mr. NEW-MARCH,] and, in a certain sense, the literary heir of Mr. TOOKE, is pushing his doctrines beyond the limits prescribed by his eminent master. At a public meeting last summer, this gentleman is reported to have brought forward, as a proof that no rise had been caused by the new gold in the price of commodities in the years preceding 1857, the fact that, *at the time when he was speaking*, a great fall had taken place in the value of all articles of commerce. The circumstance, however, that, at the moment when he spoke, the country was still under the influence of the great commercial crisis which had occurred a few months before, rendered any such comparison of prices quite valueless. It is in the nature of things that any extraordinary rise of prices should be followed by such a rebound as we have lately witnessed. The only useful comparison that could be drawn is by comparing the range of prices, a few months after the panic of 1857, with the prices of a corresponding period after the panics of 1825, 1836 and 1847. From the cursory reference which I have been able to make to the valuable tables in Mr. TOOKE's work on prices, I am inclined to the opinion that the comparison would be found to confirm the views of M. CHEVALIER.

The accomplished author of the treatise is already known among us as one of the most earnest of living writers in favor of free trade, and as the champion of every cause which tends to promote the progress of an elevated civilization and the best interests of humanity. He has qualified himself for the present task by a long and laborious study of the currency question, having given to the world some essays on *money*

and the *precious metals*, which are recognised as standard works, and invest his name with an authority on such subjects hardly second to that of Humboldt himself. In M. CHEVALIER'S work will be found almost every fact and argument necessary for the formation of an opinion on one of the most important problems of our day, and they are presented with all the care and conscientiousness for which the writer is so distinguished.

I wish I could believe, that either in the original (where a brilliant style is added to its other merits) or in the translation, this work will be read as widely as, from its great importance, it deserves to be. The very topic forbids such a hope. It is, nevertheless, a subject on which the early possession of knowledge, and the exercise of forethought, will confer great advantages over ignorance and indifference, and afford the only safeguard against probable loss. It has been with a view to awaken public attention to a question which may involve the most important social consequences, and to offer greater facilities for obtaining information upon it, that I have undertaken the most humble of literary tasks, that of the translator, in presenting to the English reader the ablest and most complete treatise on the new gold discoveries.

THE EFFECTS OF A DEPRECIATION OF GOLD.

(From the *London Economist*, April, 1859.)

ALTHOUGH, as we recently explained, we think it questionable whether gold has, as yet, been sensibly depreciated, or whether it will hereafter fall in value with the *rapidity* which M. Chevalier and some other writers appear to expect, we quite agree with them in thinking that, if the supplies from Australia and California continue to arrive in their present abundance, some depreciation must sooner or later take place. The future supply of gold from these countries is, of course, uncertain, but the preponderating probability is that it will for a considerable time continue to be very copious, and it is, therefore, interesting to consider what would be the effect of that depreciation if it should come.

The effect of an alteration in the value of the article selected as the standard of value is evidently to impair its utility in that respect. Fixity is the first essential in a standard measure; any alteration in the measuring instrument is clearly a source of confusion. So far, indeed, as the circumstances of any particular moment are concerned, the evil is but slight. If gold were on a sudden to become one-half less valuable than it now is, the prices of all articles would be doubled, and all would go on as before. At its new value gold would be as perfect a standard as it was at its old value. But the evil is not so slight when we take into account the fact, that many contracts which are affected by the value of money extend over long periods of time—a few over very long periods, and many over considerable ones. All persons who contract to pay £1,000 before the depreciation, and have to pay it after the depreciation, will be benefited; that which they have to pay will be more easily obtainable; they will pay a less value instead of a greater. Similarly, those who have to receive payments contracted to be made before the depreciation

will be injured; they will receive the same sum in gold, but it will not go so far in the purchase of commodities as they expected it would. On the same principle, all annuitants will be injured; their annuities will be the same nominally, but their purchasing power over the means of subsistence and other consumable articles will be diminished. The longer the period over which the operation of any contract extends, the greater will be the chance that those who are to receive the sums that are stipulated to be paid will be injuriously affected by the depreciation of the metal in which they are to be paid.

From this description it is evident that the fundholder will be very likely to be injuriously affected. The funds are merely a conventional expression for certain perpetual annuities which the Government undertakes to pay to certain persons who have advanced money to supply its wants. Consequently, if ever a depreciation of the currency takes place, the holder of funded property will find his annuity less efficient in buying what he wants than it used to be. If A. gives 95½ for £100 Consols, in reality he purchases a perpetual annuity of £3 per annum, which the State formerly covenanted to pay to some one who lent money to it, but which is transferable in the market, and of which A. will now receive the benefit. This £3 will, of course, be less valuable after the depreciation than it was before, and to that extent the fundholder will be injured. His income will be less efficient than it used to be.

It is important, however, to observe that the *price* of the funds will not, when the depreciation has taken place, be affected. This was contrary to the notion which was generally entertained at the time of the gold discoveries, and is not always understood even now. The price of the funds depends on the rate of interest at the moment, and the new supplies of gold will not permanently diminish this, even if they should momentarily do so. The rate of interest is settled in the market, as the rate of wages or the price of cloth is settled, by supply and demand. Certain persons who have securities wish to borrow on them, and certain persons who have money to lend on that description of security are on the look out for it; and in proportion to the comparative number of the two is the rate of interest for that time. If money is scarce, the rate is high; if money is plentiful, the rate is low. A person would, therefore, think at first sight, that if the quantity of money be suddenly augmented by such events as the discovery of new and very prolific sources of supply, the rate of interest would fall. But this is an error; the augmented supply tends to increase the demand for loans as well as the means of making them. Persons who borrow do so with an object; that object is the purchase of some commodity or other; they do not borrow the money in order to hide it, but in order to lay it out. Now the price of commodities will be raised by the new supply of gold; the borrower, therefore, cannot obtain the commodities he wishes without borrowing more. And he will have the *means* of borrowing more. His securities will be more valuable. Their price will be augmented just as the price of all other commodities will be augmented. The effectual demand, therefore, will be stimulated by the depreciation of money, which is consequent on the new supply; more of it must be borrowed for the same objects, and more can be borrowed on the same securities. The supply and demand, therefore, for

money will be affected equally by the same cause, and the rate of interest, which depends on the comparative magnitude of that supply and demand, will consequently be unaffected. The price of the funds, which is only another name for the rate of interest which will be accepted under certain circumstances by certain persons, will not, therefore, be at all altered by the new supplies of gold.

It might, indeed, be argued that as the labor and capital employed in obtaining this new supply of gold is in some sense unprofitably employed—that is to say, as the millions which are thereby added to the currency of the world do not in any degree add to the means of supplying its wants and contributing to its enjoyments, the new supply of gold would have a tendency to raise the rate of interest. A portion of the capital of the world is, it may be said, expended in a useless manner, in giving us two sovereigns to do exactly the same work which used to be done by one sovereign, and, in consequence, there will be a greater demand for that which remains. A new demand for capital will soon tell on what is called the “money market,” but is really the market for “loanable capital.” Traders are, after all, the great borrowers. If a great deal of capital were abstracted from existing trade, and applied to the production of new gold, which only depreciated the existing gold, traders would have less capital to supply the general wants of the world with than before. To carry on their own business they must borrow, or try to borrow more, and this would tend to raise the rate of interest. But two circumstances render it unlikely that this would have a material influence on the price of funded property. The general money market of Lombard street, to which the general demand for “loanable capital” refers, has a rate of interest of its own widely different from that which is indicated by the funds. We may see this by the table which is published every week in our city article. In April, 1856, the rate of interest was 6 and 7 per cent., and the price of the funds 92½; in 1859, the funds are about 95½, and the rate of interest is 2½. The general rate of interest has fluctuated more than 50 per cent., and the price of the funds has only fluctuated 3 per cent. The persons who are willing to buy into the funds are a special and limited class, comprised mainly of trustees, executors, (who are confined by the terms of wills and settlements to that form of investment,) poor persons who do not know of any other kind of investment, and very cautious people, who do not like to trust to any other. The great operations of trade have a very slight influence, as the above figures show, on the conduct of such persons. A great deal of capital might be taken from traders before the price of the funds would be affected by it. Moreover, in fact, the capital necessary to supply the new gold has been probably much less than the disposable savings of the country during the same time; a new investment would have had to be found for this capital. It has found such an investment in the gold diggings; and the only effect has been that we have less capital to spare for other new undertakings. We have not had to diminish our business, but we may, to a certain extent, have been prevented from increasing it. The demands of trade will obviously be much less affected by a circumstance which only restricts a development, than by one which necessitates a contraction. The enormous increase of business since the time of the gold discoveries

has greatly augmented the rate of interest in Lombard street, and in some measure affected the price of the funds. But the effect of the simultaneous development of trade is very different from that of depreciation of the currency caused by an excessive supply of gold. As far as that cause alone is concerned, it cannot affect the rate of interest, because it stimulates the demand for loans, as well as supplies the money with which to make them. The price, therefore, of the funds will not be affected, but the fundholder will be materially injured by the diminished value of his income; and if he sells out, although he will obtain the same sum in coin, he will not find it as useful as before, because it will purchase fewer commodities than it used to do.

Mortgagees of all kinds will be in the same difficulty as the fundholder. Their interest will not be so efficient, and when their principal is paid off, its value will be depreciated likewise. Persons who have insured their lives will also feel it, and to a greater extent. The sum contracted to be paid to them will be the same, but it will not be as effectual a provision for their families as it was expected to be. The calculations of the office will be unaffected. They receive premiums, and contract to pay sums insured in consideration of those premiums. The relation of the premium to the sum insured will be unaffected by any depreciation of the standard metal of which these sums are to consist. But in the event of a sudden depreciation, the *moral value*, if we may use such an expression, of the sum insured, will be diminished. Wives and children will be poorer in real wealth—in command over the means of subsistence—than the insurer anticipated that they would be.

These dangers are considerable; and on a future occasion we shall discuss what is the prudent course for private individuals under these singular circumstances, and whether there is any step which Government in this country can take which would assist them.

THE ASSAY OFFICE, NEW-YORK.

The deposits of gold and silver at the Assay Office, and the manufacture of fine gold bars, have been as follows since 1854:

Years.	Deposits.		Fine gold bars made.
	Gold.	Silver.	
1854, 3 months,.....	\$9,260,893	\$76,306	\$2,888,059
1855,.....	26,688,359	850,146	20,441,814
1856,.....	17,803,692	458,725	19,396,046
1857,.....	21,760,237	2,015,405	21,691,112
1858,.....	19,801,911	2,275,980	19,125,484
1859, 3 months,.....	1,403,017	171,842	1,934,264
	\$96,218,109	\$5,348,404	\$85,476,779
Silver,.....	5,348,404		
Deposits,.....	\$101,566,513		

In the absence of an Assay Office at this port for the past four years,

1859.]

The Assay Office, New-York.

925

all this accumulated gold must necessarily have been sent to Philadelphia for coinage at the Mint, involving a loss to the owners of \$85,476 for express charges alone, besides delays, and besides the additional expense for conversion into coin. Upon inquiry, we find that the express charges to Philadelphia are fifty cents per thousand dollars, equivalent, on the whole sum of \$85,476,783,

To.....	\$42,788
And return,.....	42,788

The charge for coinage would have been $\frac{1}{2}$ per cent., or,.....	\$85,476
	427,888

Deduct cost of manufacturing fine bars, six cents per \$100,...	\$512,859
	51,286

Amount saved,.....	\$461,573
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Fine gold bars, manufactured at the U. S. Assay Office, New-York, from the commencement of its operations (October 10th, 1854,) to March 31st, 1859:

4th Quarter, 1854,.....	\$2,888,059 18	
1st " 1855,.....	3,401,465 78	\$2,888,059 18
2d " ".....	4,204,032 16	
3d " ".....	6,024,577 99	
4th " ".....	6,811,737 70	
1st " 1856,.....	6,080,956 34	20,441,813 63
2d " ".....	2,924,367 69	
3d " ".....	4,155,798 88	
4th " ".....	6,234,926 98	
1st " 1857,.....	3,270,501 77	19,396,049 89
2d " ".....	5,326,069 29	
3d " ".....	5,681,019 82	
4th " ".....	7,413,522 14	
1st " 1858,.....	3,295,435 41	21,691,113 02
2d " ".....	5,408,713 67	
3d " ".....	5,261,670 32	
4th " ".....	5,159,664 20	
1st " 1859,.....		\$18,125,483 60
		1,934,264 03
Total, 3 $\frac{1}{2}$ years.....		\$85,476,783 35

In connection with this subject, the following remarks as to the trade of San Francisco will be found interesting, especially in reference to the product of quicksilver:

The tonnage arrivals at San Francisco, during the quarter now closing, have a peculiar interest with reference to the present condition of trade. The contrast between the similar periods, of this and the preceding year is forcibly illustrated by a comparison.

	Vessels.	Tons.
From Domestic Atlantic Ports, 1st quarter, 1858,..	16	of 18,234
Do. do do 1859,..	46	of 53,076
From Foreign Ports, 1st quarter,..... 1858,..	53	of 31,746
Do. do 1859,..	80	of 49,636

The aggregate excess of registered tonnage from ports of supply (deducting the arrivals from British Columbia) arriving during the first quarter of this, over that of the preceding year, is 43,209 tons; and taking the average of each quarter last year, 63,691 tons, the first quarter, 1859, aggregates an excess of 39,021 tons. This year San Francisco has paid for freight \$1,354,570, against \$494,600 at the same time in 1858.

The value of exports from San Francisco, other than treasure,	
during the month of March, was.....	\$313,519
For January and February,.....	693,557
Total first three months of this year,.....	\$1,007,076
Same time in 1858,.....	673,752
Excess this year,.....	\$333,324

This comparison is a gratifying one, and the more so that this year the exports of quicksilver, owing to the stoppage of the New Almaden mines, are thus far only 253 flasks against 5,506 flasks in the first quarter of 1858. With the average quarterly export of this metal as formerly, the value of our exports in the past quarter would have been one and a quarter millions, and exceeded those of the first three months of last year by half a million of dollars.

COIN AND BULLION.

Mint in China.—The following letter suggests the establishment of a mint at Hong Kong. The absence of any distinct circulating medium is a constant source of embarrassment in all our trading operations in the North of China, and under the extension of commerce likely to be inaugurated by the new treaty, the adoption of some remedy will be indispensable:

"SIR: As the time is near at hand when our commercial relations with China will be very important, and our access to the interior much facilitated, I consider this the proper moment to draw the attention of Government to the monetary system now ruling in China, with the view of obtaining its assistance and co-operation for improving it.

"The monetary system of China, both among the natives themselves as well as between foreigners and the Chinese, is the most barbarous and the clumsiest imaginable. While in Hong Kong, Canton and the southern provinces, the Mexican dollar is current, Shanghai and the north have no circulating medium at all, the tael, in which accounts are kept, being a purely imaginary coin. The foreign merchants and the Chinese at Shanghai can, therefore, only approach one another through the medium of the native bankers, or shroffs, or the business is reduced to a mere barter. It is quite clear that commerce must suffer from the want of a plain and easy way of keeping accounts and making payments.

"The establishment of an Anglo-Chinese Government Mint at Hong Kong, the coins of which must be made a legal tender for the payment of duties, is the only thing that will remedy this evil, for no new currency

not coined under the immediate superintendence of the British Government will ever have the confidence of the Chinese people and be accepted by them.

"Of course the shroffs, who have reaped immense profits from the present system, will most strenuously resist any innovation of the kind, and throw all possible obstacles in its way. But if the British Government takes the matter in hand energetically, and does not listen to the voice of interested parties, the resistance of that small class will be of no avail, and the new coin be soon the universal circulating medium at all the foreign ports in China, for nothing which will be of much benefit to the commercial classes can be effectually resisted.

"In 1856 an attempt was made at Shanghai to substitute the Mexican for the Carolus dollar, the scarcity of which was felt severely, and impeded trade very much. But the attempt failed because the British Government took no part in the proceedings, and did not support the foreign merchants in their endeavors to break the monopoly and the influence of the native bankers.

"It has been asserted that the Chinese are opposed to every thing new, and that it is impossible to introduce with them any thing foreign to their old habits and customs. Nothing could be more incorrect. I have always found the better classes of the Chinese, such as the foreign merchants come most in contact with, ready to listen to any plan of improvement, or to any thing likely to be of real benefit to them. Those especially who have seen the Chinese in California and Australia, will find my assertion to be correct.

"The Chinese have adopted the Mexican and Spanish dollar from necessity, and not from a whimsical preference for the shape or appearance of that coin. At the time it was introduced it was the only silver currency of that denomination in existence in which any confidence could be placed, and even now there is hardly any other. But a dollar coined by the British Government under their very eyes would soon supersede all others. Such a coin ought to have its name and value in Chinese characters on one side, or else the Chinese will deface it by stamping it upon the coin.

"I am, sir, your very obedient servant,

"7 Angel Court, London, Aug. 24.

"A. ELLISSEN."

CLAIMS ON FOREIGN GOVERNMENTS.

The State Department has recently communicated to Congress a list of the claims held by citizens of the United States against foreign governments, with the names of the claimants, nature of the claim, and the result of action, if any, either by our government or by the foreign government against which the claim is made. From this list we have compiled an interesting summary, showing the number and the amount, as far as ascertained, of claims against each government. The number of claims where the amount is not stated is also given. The list takes date from January 1816, and is made up as late as the files of the State Department would permit.

	<i>No. of claims stated.</i>	<i>No. of claims not stated.</i>	<i>Total No. of claims.</i>	<i>Amount of claims stated.</i>
Mexico,	379	122	501	\$30,276,506
Great Britain,	19	56	75	6,819,989
Spain,	167	86	253	5,712,270
Peru,	61	16	77	3,078,815
France,	4	10	14	2,820,944
Old Rep. of Columbia,	32	8	40	2,128,219
Venezuela,	20	5	25	1,352,830
New Granada,	17	51	68	1,054,657
Brazil,	41	31	72	1,025,948
China,	47	7	54	1,711,539
Paraguay,	2	..	2	985,000
Chili,	10	2	12	624,005
Costa Rica,	10	4	14	564,237
Nicaragua,	19	24	43	506,748
Russia,	2	..	2	401,000
Hayti,	5	4	9	174,174
Portugal,	22	15	37	171,739
Belgium,	20	..	20	159,351
Greece,	1	..	1	100,000
Buenos Ayres,	3	14	17	64,817
Ecuador,	1	..	1	49,465
Holland,	3	4	7	38,200
Dominica,	2	..	2	28,000
Feejee Islands, .....	..	11	11	20,000
Uruguay,	2	1	3	16,791
Denmark,	2	1	3	12,040
Austria,	1	6	7	5,000
Prussia, .....	..	1	1	....
Rome, .....	..	1	1	....
Turkey, .....	..	2	2	....
Naples,	1	9	10	2,400
Sardinia, .....	..	1	1	....
Sultan of Johanna,	1	..	1	....
Guatemala, .....	..	4	4	....
Total,	894	496	1,390	\$59,902,740

If the claims "not stated" in amount are, on an average, equal to those whose sums are duly presented, the aggregate amount of claims would appear to be upwards of ninety-three millions of dollars, viz.:

894 claims stated,	\$59,900,000
496 " not stated,	33,280,000

Total amount of claims,

\$93,180,000

It will be observed that the largest claims are against Great Britain, France, Spain, Mexico, Peru, and the old Republic of Columbia. The claims against Mexico are more than half the total amount. Peru is now in a situation, from her large guano monopoly revenues, to yield satisfaction. Mexico should be strictly dealt with, for from present appearance we shall have not only an increased file of claims for money, but have claims against her for lives of American citizens. The well known case of a citizen of the United States, taken from our own territory, and imprisoned eighteen months, by Mexican officials, in a Mexican jail, is one of many of the late outrages. The reports from our consuls, and from officers of the navy on the west coast of Mexico, do not give assurances that our flag is more respected than years ago.

THE BANKING SYSTEM OF NEW YORK.

SUGGESTIONS have been made—bills have been introduced into the legislature—for further modification of the banking system of this State. The changes proposed are not of a radical nature; they are not calculated to disturb the present harmonious workings of the existing law; if adopted, they would not, remotely or directly, affect unfavorably the real banking interests of the State.

Then some will ask, why recommend them—why urge them upon the consideration of the representatives of the people?

We would answer, that the banking system of the State, adopted after serious consideration and ample consultation among its projectors, and after various modifications suggested by the experience of twenty years, is not perfect. It has shown itself to be pregnant with mischief and danger, and calculated, in unwise hands, to disturb seriously the channels of commerce, and finally to become the cause of severe revulsion.

The existing law was adopted when the population of the State little exceeded two millions, and of the city less than 300,000, when their external and interior commerce was quite limited, compared with the present period. The law may have suited a small population—it is not wholly adapted to a large one, or to the financial centre of the Union at this day.

The changes now proposed are,—

I. A minimum amount of specie in the bank vaults, according to their cash liabilities, excluding circulation.

II. A limit of loans according to capital and the specie reserve.

III. An abrogation of the usury laws, as applicable to commercial paper.

These modifications (with others) are proposed in the "Currency Report," published by an association some weeks since in this city, and are now urged by one of the delegates from our city to the legislature. In reference to this report, a cotemporary remarks:

"The authors of the 'Currency Report' have committed a grave error in adopting an unusual state of things, when all the bad commercial accidents of a long period are brought to a focus, as the basis of general reasoning, and statements which on examination are found to be untrue. They confute themselves by the examples of their own success, from which it appears either that the banking system is not an inductive cause of the disasters which they describe, or that they are such skilful managers as to turn the great flood of misfortune that overwhelms the community at large, into a tide of success for themselves. On the latter presumption, we must give them credit for rare ability in commerce and finance."

On the contrary, we can produce facts and figures to show that the extreme expansion of credit in 1857, was mainly produced by the banks of our city in April, May, and June of that year—that this example was followed by Massachusetts, Rhode Island, Connecticut, and numerous other States, and that the "unusual state of things," to which our cotemporary alludes, was

nothing more or less than the results of a series of bad management of those authorized by law to commit such errors.

"Admitting that banks do, at times, extend their loans too freely, and then withdraw them too suddenly, by which the even progress of trade and labor is arrested, yet their action upon the general mass of credit is, on the whole, restrictive and conservative. They reject all paper below a certain standard of merit. Every Bank Board is a jury to make inquest on credit, and to say whether it deserves confidence or not."

This is true in part; but when the banks adopt a certain policy, it is fairly presumed by their customers and creditors, that the banks will not, by any extended policy, jeopard the commercial interests of the community. Those interests were exposed to great hazard by the policy of the summer of 1857; whereas, if the conservative course now recommended had been pursued, no revulsion could have taken place. If the loans of April, May, and June had been confined to the limit now recommended, no serious disturbance would have occurred, viz.:

Capital April, 1857,.....	\$59,000,000
Add one-half,.....	29,500,000
Add specie then on hand,.....	11,000,000
Total,.....	\$99,500,000

Instead of which the loans were in April, 1857, \$115,000,000, and were finally swelled to \$122,000,000 early in August. This, too, in the face of a declining average of specie, and of an amended tariff, under whose influences very heavy importations had been authorized.

The cash liabilities of the banks of this city in April, 1857, were within a fraction of one hundred millions. The proposed reserve of 25 per cent. in specie would have forced a contraction, instead of expansion, in May and June of that year—and the revulsion wholly, or nearly so, might have been obviated.

A similar expansion occurred in 1835-'36, when the bank circulation became so heavy, upon a nominal amount of specie, as to produce a revulsion in 1837.

New York assumes now, under circumstances vastly different from those of 1838, (when the Free Banking Law was adopted), a great responsibility to our city, to our State—to the whole country. This city has gradually become the financial centre of the Union, and holds in trust, or on deposit, through its bankers, millions upon millions of money. The cash balances of bankers and merchants throughout thirty or more States of the Union, are thus held in and near Wall street; and are deposited with an implied, if not an express, understanding, that they shall remain intact, or at all events, safe. These funds are wanted for the ordinary domestic and foreign exchanges of the country, amounting to millions per day, and the depositors and remitters would never consent that their funds should be used for speculation or "the desire of gain." The bankers of New Orleans, San Francisco, Mobile, St. Louis, Cincinnati, Charleston, and hundreds of other cities, remit millions per day to this centre, and rely upon a conservative, honorable, safe custody of these immense funds.

The banks alone of the city of New York, this day, are indebted to the interior some twenty-eight millions of dollars. Our private bankers are in-

debted perhaps as much more, all of which is placed for safety, as well as for convenience, in our bank vaults.

Is it too much then to ask of the New York banks to maintain a specie reserve to the extent of twenty-five per cent. of their cash liabilities, independent of circulating notes? Do not our mercantile friends in the South and West, the North and East, rely upon New York to pursue such a pruden- tial course as shall utterly prevent a recurrence of the events of 1857?

We are admonished by the opponents of these modifications, that the law of Louisiana, to which many refer as a fair precedent and example, was forced upon the banks of that State; that they were bound to accept of its hard provisions or go into liquidation.

This is no doubt true; but the law which was thus forced upon them has since proved to be their best safeguard, and under its provisions the banks not only secure regular dividends to their shareholders, but a con- sistent and wise course for their customers and the whole community.

Another set of opponents of the proposed modification of the New York law urge, that having burned their fingers once, they are now too wise and shrewd to hazard again, at any future time, the risks of undue expansion.

To this it may be replied, that we are not legislating for the New York of to-day, nor for the people now having control of the bank parlor. We must look forward to New York with a population of a million and a half or two millions, when it shall become more fully than now the great com- mercial agent of the country, and perhaps the financial centre of the world; when the present circle of bankers shall have left the stage, and when a new set, without the experience of 1837 and 1857, shall preside over New York.

It may well be urged that human nature will be the same in 1867 and 1877, as it is now and was in 1857. The restraints which (it is now acknow- ledged) were so obviously necessary in 1857, but which did not exist, should be thrown around the banking system in 1859, so as to secure con- sistency and uniformity in its workings; so as to guard the community against the folly, the excessive "desire for gain," and the weakness which marked the year 1857. Unless such restraints are prescribed by law, we may in vain look for stability or soundness for any series of years—we shall be drifted to sea without anchor, without cable, and without manage- ment.

Turkish Finances.—We learn that the proposal made to the Ottoman Bank by the Turkish ambassador, on behalf of his government, relative to the establishment of the National Bank of Turkey is, that the concession should be granted to them in conjunc- tion with the former claimants of the firman, and a local party at Constantinople, the interest of all three members of the proposed combination to be equal. This the Ottoman Bank has absolutely declined to accept. The directors, in fact, could hardly justify themselves, either to their shareholders or to the public, in taking an active part in the establishment of the proposed institution, unless they could secure such an effi- cient supervision and control as would render it morally certain that the new bank would be conducted so as to promote the general interests of the commerce and finance of Turkey. With a direction in which the English element would be so de- cidedly in a minority, as in the proposed plan, it is clear that British capitalists would have no confidence in the management of the institution.—*London News*, Dec. 16.

SILVER BULLION AND COINAGE.

THE trade between China and the United States being largely in favor of the former, and silver being the metal most used by them, the demand for silver coin and bullion has been steady for exports from Pacific ports. Every vessel leaving San Francisco for Chinese ports takes a large amount of Mexican dollars. The superintendent of the branch mint at San Francisco, applied in November last for permission to coin silver at that branch. His letter is as follows :

SAN FRANCISCO, Nov., 1858.

We are now attracting to our shores large quantities of silver, in bars from Mexico, for which we pay in silver coins. By reference to your letter of the 4th of August last, I find that you say that "silver deposits may be received, but they are only payable in silver dollars or in fine silver bars." We have never received any dies for silver dollars, nor am I aware of the reason why this branch has never made that denomination of coin. I would, therefore, suggest that the coinage of silver dollars (if it be not contrary to the policy of the government) would relieve us of just one-half the labor now necessary in the coinage of large quantities of Mexican silver.

CHAS. H. HEMPSTEAD, Superintendent.

Reply to the above, from the Director of the Mint, Philadelphia, to the Superintendent.

DECEMBER 18, 1858.

If you refer to the act of Feb. 21, 1853, *Mint Pamphlet*, p. 57, you will understand the point you present to my consideration respecting the silver coinage.

The third section of that act prescribes the manner of purchasing silver for coinage into the half-dollar, and lower denominations; and the fifth section directs that no deposits of silver shall be received for such coinage. The weight of the half-dollar and lower coins is reduced, so that two half-dollars weigh 28.5 grains less than a whole dollar, the law fixing the weight of the whole dollar not being altered by that act; so that the dollar being worth at the present price for silver one hundred and four cents, it is no longer a coin for circulation. The nominal value of the silver dollar, being four cents less than its mint value, it is evident that the depositor cannot afford to have his bullion coined into dollars. Some few have been coined at the Mint for special purposes; but it is not the policy of the government to encourage deposits for that purpose.

I would add that a depositor who would be paid in silver dollars, would find it his interest to sell those dollars to the Mint, but he would lose the half per cent. coinage charge upon them. Hence he had better sell his silver bullion in the first instance to the Mint, at the Mint price.

JAMES ROSS SNOWDEN, Director.

Letter from the Superintendent at San Francisco to the Director of the Mint, Philadelphia.

JANUARY 19, 1859.

In reference to the question of the coinage of the silver dollar, I understood the law to be as you have explained it, but never having received dies for making that description of coin at this branch, we have not been able to do so, even though I am well satisfied that our merchants, engaged in the Mexican and China trades, would be glad to receive the dollar piece in lieu of their silver deposits.

I learn from your letter that "it is not the policy of the government to encourage deposits for that purpose." I would respectfully suggest, that in the vaults of our several banking houses, and of the Mint, there is a very great accumulation of United States silver coins, namely, half-dollars, of which it is impossible to get rid, either in the course of trade, or in exchange for gold, for the reason that there is a heavy discount on this species of coin, both in China and in Mexico, while the Mexican silver dollar is sought after, and purchased at a high premium, for shipment to the former country. The consequence is, that a very large amount of California capital lies idle, and the community suffers from the plethora of silver coins. I learn by conversation with intelligent merchants engaged in the China trade, that our silver dollar, being of about the same intrinsic value as the Mexican dollar, would, if coined here, pass in China equally current with the latter piece, and not only enable us to get rid of our surplus silver, but vastly benefit our mercantile community. In view of these facts, I would respectfully submit the suggestion, that this Branch be permitted to issue such coins when demanded.

Under ordinary circumstances, as justly remarked by you, it would be to the interest of the depositor to sell his dollars to the Mint, again thus losing the half per cent. coinage charge. But the character of trade on this coast, namely, that with China, is altogether different from that which marks the trade of the Atlantic cities, and here, it would probably be found to the interest of the depositor, to ask for silver dollars available for the China coast, rather than for smaller denominations, available neither there nor here. If this be true, one consequence would be, that we would attract to our shores the large and lucrative trade in crude Mexican silver; and another, the increase and aid of our growing commerce with China and the Indies. I respectfully submit the subject to such consideration as you may deem it merits.

CHAS. H. HEMPSTEAD, Superintendent.

Reply.

U. S. MINT, PHILADELPHIA, FEB. 19, 1859.

As the facts stated by you indicate the propriety of the coinage of silver dollars at your branch of the Mint, I have caused four pair of dies of that denomination to be prepared and forwarded to you per express. A weight for the adjustment of the coin (from which others can be made) will be found in the box containing the dies.

JAMES ROSS SNOWDEN, Director.

The San Francisco *Bulletin* of 21st March, says: The authority to coin

silver dollars is quite an object to the commerce of the Pacific coast. Crude silver has been to-day deposited for coinage, to the amount of upwards of \$7,000, by one house in the Mexican trade.

Of the past and prospective supply of gold bullion, the same paper says: Usually, the great yield of gold commences with the month of February, and continues to July and August, when it gradually diminishes, till the January following. It is predicted that the busy season now opening will not merely prove that our gold product is not decreasing, but will conclusively establish the inexhaustible character of the mines of California, and their augmenting richness. There can be little doubt, from the data we are able to gather, that our yield of gold exceeds sixty millions of dollars per annum; and we entertain the opinion that, if it could be ascertained, the fact would be found that during the present year California will have contributed to the world at least eighty millions of dollars in gold.

We have made some inquiries with a view to ascertain what facilities are afforded at the branch Mint in this city for the accommodation of this immense quantity of bullion, and to advance the interests of the mining population of the State. While our average annual yield of gold is at least sixty millions, the Mint in this city seldom coins over twenty millions. It seems, therefore, that instead of coming direct from the mines to the Mint, and there made into United States currency, a very large proportion of the precious dust, in its natural or manufactured state, finds its way into other channels. Some of this eventually passes into the Mints at Philadelphia and at New Orleans, and is there made into United States coin; but much of it passes through our hands directly to England and France, and there receives the stamp of foreign countries; while a very large proportion goes through the Assay Office at New York, and is manufactured into bars for shipment to foreign mints.

Bank of France.—The monthly return of the Bank of France to the 9th of December, shows the following results (the exchange taken at 24fr. to the pound):

Coin and bullion.....	£22,274,500	... Increase	1,117,900
Bills discounted.....	16,708,800	... Decrease	118,600
Notes in circulation.....	27,498,600	... Decrease	140,100
Treasury deposits.....	5,302,800	... Increase	1,070,000
Private deposits.....	7,204,000	... Increase	573,300
Advances on French Government Securities.....	2,259,800	... Increase	243,800
Advances on Railway Securities.....	3,158,400	... Increase	220,100

Of these changes the *London Daily News* says:

"The large increase in the coin and bullion will attract chief attention. The efflux of gold from France, which was recently occasioned by the rise in the value of money in Germany, has ceased, and the tide has turned. The previous return, it will be remembered, showed a decrease of nearly a million in this item. It would appear that the disturbance incidental to the resumption of specie payments at Vienna, the influence of which extended both to Paris and London, has now quite subsided. The discounts, which increased £700,000 during the previous month, have now slightly diminished. The increase in the private deposits indicate dulness of trade, whilst the increase in the loans on stocks and shares proves that the late rise on the Bourse has received other assistance than that offered by *bona fide* purchases. The increase in the Treasury balance is in anticipation of the dividend which falls due on the 22d inst., on the Three Per Cent. Rentes."

NEW BANKS PROPOSED.

It is generally conceded that there is a sufficient number of banking institutions in this city; and, indeed, it is thought that the true interests of the commercial community and of our manufacturers would be best consulted if the number were reduced to thirty or forty, thereby securing more consistent management and more stability of purpose. The capital at present in New York city is, on an average, about \$1,250,000 each; while in London the number of Joint Stock Banks is only nine, with an average capital of \$2,600,000 each, including surplus; and with deposits amounting to two hundred millions of dollars, instead of eighty-eight millions as here. There is, however, room in this city for another new bank upon a special principle, and the want of such an one is so obvious that it will probably be established this year. We allude to "THE PRODUCERS' BANK," with a capital of two millions of dollars, whose main purpose would be to loan upon warehouse receipts for produce—including cotton, wool, grain, flour, and provisions.

Property of these kinds is generally held in our city to the value of fifty or sixty millions of dollars. At present an advance on such property can be had only through the medium of a commission merchant, such advance being in cash or in negotiable paper; the owner or consignee being subject to a charge of $2\frac{1}{2}$ per cent. for the advance. This is the *indirect process*.

The Legislature has incorporated a Warehousing Company, whose receipts for property are valid against any other liens or claims. It is obvious that a Bank could with more safety loan upon such certificates than upon the acceptance or promissory note of the commission merchant. A shipper or consignee holding a Warehouse receipt for a thousand barrels of flour, valued at five thousand dollars, should be able to borrow more readily upon such security, as collateral, than upon the acceptance of the commission merchant. The occasional (we may say numerous) failures of Produce Houses, would show that the Warehouse receipt is a better basis for a loan. The latter is known to carry a full legal title to the property.

A Bank with a large capital, organized to give special attention to discounting on warehouse receipts of property, could not fail to enlist the favor and secure the business of a large class of houses now receiving on commission, or purchasing, or dealing in, the articles enumerated.

The old phrase "as good as wheat" has not gone out of vogue yet; and in these times, with three hundred millions of domestic products received annually at our port, we may say that Cotton and Wool, Beef and Pork, Butter and Cheese, Lead and Iron, are each and all *as good as wheat*.

In fact, if these kinds of property could have been readily put into the shape of Warehouse receipts in September and October, 1857, as well they might have been under such a law as was since enacted, to the extent of thirty millions of dollars, the revulsion might have been in part obviated.

There was plenty of money then ; but the holders were at a loss for a substantial basis for loans. The same men who declined loaning on the paper of houses of long and high standing, even at 3 or 4 per cent. per month, would have loaned promptly on Warehouse receipts if such had been in existence, and at legal interest.

In fact, loaning upon this species of property is like loaning upon gold itself. There has not been during a period of thirty years any season when the market values of the articles enumerated declined beyond what may be considered as fair rates for advances. The great staples of the country have preserved for a long series of years a value which makes them a more reliable basis of loan *than any public securities whatever*.

The only objection we have heard urged to the "PRODUCERS' BANK" is, that it would tend to bolster and inflate prices by enabling the holder to wait a better market : thus virtually reducing the stocks actually on the market, and enhancing the price of those not warehoused.

In reply to this, we may urge that property of this kind is already drawn upon, and funds realized by the shipper, through individual channels and at a considerable loss—say $2\frac{1}{2}$ to 5 a $7\frac{1}{2}$ per cent. The new Bank will assume the loans now made by individuals, and grant facilities directly at 6 or 7 per cent., which are at present subject to interest at the rate of 10 or 15 per cent. by indirect process.

The "PRODUCERS' BANK" would save as much to the produce dealer as the Metropolitan Bank has to all classes, in relieving them of a burden of $\frac{3}{4}$ to 1 per cent. discount on uncurrent money—an annual saving of 3 or \$400,000 to our business men.

This subject assumes more importance when we reflect that New York city has gradually become THE MARKET of the whole country. The Cotton and Rice of the South ; the Tobacco of the Middle States ; the Grain and Provisions of the Great West, which, with other staples, now foot up some three or four hundred millions of dollars annually, must ere long be doubled in quantities and values at our port. In 1841 the average cargo of a canal boat was 41 tons ; to-day it is 126 tons. In 1841 the tons received at tide-water from the West were 532,000 tons ; in 1828 they were 1,500,000 tons. For the year 1857 the total tonnage on the canals and railroads of New York alone was 6,745,000 tons. NEW YORK IS NOT STANDING STILL. The growth which marked the eighteen years from 1841 to 1858, is not checked. On the contrary, if we may believe in the power of steam, the canals of this State have JUST BEGUN to show their usefulness, and are destined to enrich the City and the State far beyond the conceptions of the legislators of the present day.

The Annual Report of Mr. Benton, auditor of the Canal Department, for the year 1858, assures us that produce may be shipped from Chicago to New York *via* lakes and canal, at \$7 12 PER TON !! We may then safely assume that the producers of the West and their consignees at this port would find "THE PRODUCERS' BANK" a useful institution. Louisiana, Tennessee, Kentucky, Virginia, Carolina, Maryland, Ohio, Illinois, &c., are, each and all, rapidly establishing produce houses or agencies here, in behalf of their own separate and prominent staples. Let us, then, encourage such additions to our community, and be ready to furnish all the legitimate aid they may require.

RAILROAD STATISTICS.

SOME of our railroad companies have not yet recovered from the effects of the revulsion of 1857. Railroad management in this country has not been distinguished in many cases by financial abilities of the highest order. Many availed themselves of the too ample facilities for negotiating their bonds, and are now heavily incumbered by the accumulating interest thereon. Among the foreclosures of mortgage, we note the following:

The Lexington and Big Sandy Railroad, Ky., is advertised to be sold for the benefit of creditors.

The Chicago, St. Paul, and Fond du Lac Railroad, under a charter from the States of Illinois and Wisconsin, is advertised to be sold on the 2d day of June next, for the benefit of bondholders, for coupons due and unpaid in August, 1857. (James Winslow, trustee.)

The Manitowoc and Mississippi Railroad, 42 miles in length, having its western terminus at Menasha, Winnebago co., was advertised to be sold on the 28th day of April, at the Merchants' Exchange, New York. (A. C. Flagg and James Horner, trustees.)

The trustees of the New London, Willimantic and Palmer Railroad Co. have petitioned for order of court to foreclose the mortgage on that road.

Shares in the La Crosse and Mississippi Railroad Co. have declined to $\frac{1}{2}$ a $\frac{3}{4}$, with no demand. Milwaukee and Mississippi are now quoted at 5 per cent.

It has been announced that the Milwaukee and Mississippi Railroad Co. are compelled to ask further forbearance on the part of its creditors, as an issue of construction bonds, amounting to \$448,000, matured on the 1st of May, for which no provision has been made.

RAILROADS OF CONNECTICUT.

<i>Roads.</i>	<i>Gross Earnings.</i>	<i>Net Earnings.</i>	<i>Dividends per cent.</i>	<i>Surplus.</i>
New York and New Haven,.....	\$1,057,154	.. \$481,601	.. 3 ..	287,072
New Haven and Hartford,.....	769,065	.. 340,834	.. 10 ..	....
Norwich and Worcester,.....	287,756	.. 3,765	.. — ..	....
Hartford, Providence, and Fishkill,..	367,895	.. 166,163	.. — ..	....
New London, Willimantic & Palmer,	115,803	.. ....	.. — ..	....
Housatonic,.....	318,475	.. 4,053	.. — ..	156,960
Naugatuck,.....	209,555	.. 56,676	.. — ..	206,739
Danbury and Norwalk,.....	61,544	.. 27,012	.. 6 ..	37,070
New Haven and Northampton,.....	172,378	.. ....	.. \$5.00* ..	59,222
New York, Providence, and Boston,.	225,138	.. 85,672	.. 2½ ..	4,836
New Haven, New London, and Ston-				
ington,.....	157,657	.. 50,810	.. — ..	....
Boston and New York Central,.....	88,482	.. 7,052	.. — ..	....

* Per share.

ANNUAL PERCENTAGE OF DIVIDENDS OF MASSACHUSETTS RAILROAD COMPANIES.

The following table exhibits the Capital and Cost (January 1, 1859) of fourteen Massachusetts Railroads, with the rate of Dividends paid since 1853 :

Railroads.	When Opened.	Capital.	Cost.	Dividends.					Average per ct.
				1854. per ct.	1855. per ct.	1856. per ct.	1857. per ct.	1858. per ct.	
Boston and Providence, 1835		\$3,160,000	\$3,524,987	6½	0	5½	6	6	4 8-10
Boston and Worcester, 1835		4,500,000	4,689,098	7	6	7	7	6	6 6-10
Boston and Lowell,.... 1835		1,830,000	2,422,598	6	3	5	4	6	4 8-10
Taunton Branch 1836		250,000	313,156	8	8	8	8	8	8
Nashua and Lowell,.... 1838		600,000	654,603	8	6	7½	7½	8	7 4-10
New Bedford and Taun- ton,..... 1840		500,000	544,965	7	6	6	6	6	6 2-10
Western..... 1841		6,150,000	*10,981,281	7	7	7½	8	8	7 5-10
Eastern, 1841		4,150,000	4,090,741	7	0	0	0	0	1 4-10
Boston and Maine,..... 1843		4,155,700	4,219,326	8	7	6	6	6	6 6-10
Fitchburg,..... 1845		3,540,000	3,540,000	6	0	0	6	6	3 6-10
Old Colony & Fall River		3,300,000	3,434,164	3	6	6	6	6	5 4-10
Connecticut River,..... 1847		1,750,000	1,801,943	4½	5	4	2	2	3 5-10
Providence & Worces- ter, .. 1847		1,550,000	1,789,476	7	3	7	8	7	6 4-10
Worcester and Nashua, 1848		2,100,000	1,328,897	2½	2	4	4	4	3 3-16

LOUISIANA.—The Message of Gov. Wickliffe to the Legislature of Louisiana furnishes the following information relative to the debt of the State, contracted on account of railroads :

BONDS ISSUED TO RAILROAD COMPANIES DURING THE YEAR 1858.

To the New Orleans, Opelousas, and Great Western Railroad Company, 14 bonds of \$1,000.....	\$14,000
Issued previously.....	607,000
Total amount issued.....	\$621,000
To the New Orleans, Jackson, and Great Northern Railroads, 27 bonds of \$1,000.....	27,000
Issued previously, 857 do.....	857,000
Total amount issued.....	\$884,000
To the Vicksburg, Shreveport, and Texas Railroad Company, 89 bonds of \$1,000.....	89,000
Issued previously, 135 do.....	135,000
Total amount issued.....	\$174,000
To the Baton Rouge, Grosse Tete, and Opelousas Railroad Company, 20 bonds of \$1,000.....	20,000
Issued previously, 86 do.....	86,000
Total amount issued.....	\$106,000

RECAPITULATION.

Bonds issued during 1858, 100 bonds.....	100,000
Previously issued, 1,685 bonds.....	1,685,000
	\$1,785,000

* Including Albany and West Stockbridge, and Hudson and Boston Railroads.
† The Old Colony Railroad (opened in 1845) and the Fall River Railroad (opened in 1857) were united in one corporation in 1854.

ESTIMATE FILED IN AUDITOR'S OFFICE OF BONDS REQUIRED FOR THE YEAR
1859.

By the New Orleans, Opelousas and Great Western Railroad Company, 50 bonds.....	\$50,000
By the New Orleans, Jackson and Great Northern Railroad Company, 175 bonds.....	175,000
By the Vicksburg, Shreveport and Texas Railroad Company, 128 bonds.....	128,000
By the Baton Rouge, Grosse Tete and Opelousas Railroad Company, 40 bonds.....	40,000
Total estimates, 898 bonds.....	\$898,000

You will perceive that the total amount of bonds issued by the State to the railroad companies is \$1,735,090. As no provision has yet been made for the ultimate payment of these bonds at maturity, or for the payment of \$483,000 of bonds issued to the New Orleans and Nashville Railroad Company, and due on the 1st of April, 1867—and \$100,000 of bonds issued to the Mexican Gulf Railroad Company, due in 1870, I would earnestly recommend the Legislature to take the necessary steps to provide for these debts of the State, by the creation of a reserved fund, to be appropriated to that purpose, and would suggest that this fund might be provided without the necessity of a resort to any increase of taxation.

Vermont Railroads.—The Hon. George P. Marsh, who holds the office of Railroad Commissioner of Vermont, remarks in his report :

The history of Vermont railroads, since their completion, encourages no expectation that the stockholders, and little that the creditors, or most of them, will ever receive a return for their investments, in the regular way of dividends; though shares and bonds, when accumulated in large nominal amounts may answer certain equivocal purposes in the stock market, and their holders may derive advantage from the power of obtaining or conferring well-remunerated offices, and participating in or assigning lucrative contracts. The roads are and always have been run—much, indeed, to the public benefit, but substantially for the profit of those concerned in working them; and the beneficial interest of the meritorious stockholders, and to a great extent of the creditors, may be considered as extinguished, or as having lapsed and *become vested in the people at large, who are therefore entitled to manage and control the affairs of such corporations* as the public good requires. The public authorities of the State are not the guardians of the private interests of railroad shareholders or creditors.” * * *

In the case of some of these Vermont railroads the property in the capital stock is derelict, abandoned by those to whom it once belonged, and therefore these roads, like waifs or estrays, are *subject to absolute legislative disposal and control*, so far, at least, as *any moral rights* can be set up to the contrary. Hence it is the right and the duty of the Legislature to enact laws concerning such roads with the same single eye to the public good as in the case of common highways, and they should not be suffered to be run as feeders and accessories to foreign roads, in which the people of Vermont are little interested, nor as if they constituted the private property of managers, who, with or without the consent of the representatives of the original meritorious stock and bond holders, retain the control of them.

We see but one plain course in this case. The basis of all permanent

government, is just and good faith. The States which create a corporation with chartered rights, must respect those rights under all circumstances. It has parted with its power over a given railroad, when it has conferred that power on a corporation, and whoever represents that corporation, in a legal manner, must be protected in the enjoyment of such power and the accompanying rights. No special pleadings in regard to *equity* are admissible, nor does it matter in the least *how* valuable was the "consideration" by which the franchise was transferred, if the transfer was legal.—*Cincinnati Gazette*.

British Railways for 1858.—The number of miles in operation in the United Kingdom on the first day of January, 1859, from which returns were received, was 9,016. The total gross earnings for the seven years have been as follow :

Years.	Mileage.	Earnings.
1852	6,915	£15,140,310
1853	6,944	16,945,581
1854	7,308	18,541,855
1855	7,692	20,243,151
1856	8,404	22,498,501
1857	8,676	23,672,465
1858	9,016	23,268,764

To the above mileage should be added 552 miles of road from which no returns were published. The cost of the 9,016 miles of road was £306,950,000 ; of the 552 miles, £9,000,000—making a total of £315,950,000, equal to \$1,529,198,000.—*Railroad Journal*.

Railroad in Philadelphia.—In the Assembly of this State, a bill was read to incorporate the Union Railroad Company, in the city of Philadelphia. The incorporators are J. Edgar Thompson, S. M. Felton, Richard D. Cullen, Edward C. Dale, Frederick Graff, William H. Gatzmer, Franklin Comly, Strickland Kneass, John C. Cresson, Robert F. Stockton, and John Hulme. To be an open corporation, and have power to build a road with one or more tracks, and the necessary sidings, as will connect the several railroads entering the city of Philadelphia, and to construct a bridge for said road over the Schuylkill river, at any point north of Chestnut street and south of Girard avenue bridge, and to tunnel any street or streets in said city north of said Chestnut street, between the Schuylkill and Delaware rivers, that may be necessary to carry out the aforesaid object, and with all the powers and privileges, and subject to all the restrictions prescribed by an act entitled "An act regulating Railroad Companies," approved February 19, 1849, not inconsistent with this act. To have power to erect, at such points on their railroad as may be determined, union stations and depots, and to lease the same, or any portion thereof, to the several railroad companies whose roads enter or terminate in the city of Philadelphia. The capital stock to consist of 40,000 shares of \$50 each, to be increased, if deemed necessary by the stockholders to carry out the object of this act, to any amount not exceeding 60,000 shares. Any railroad company having a terminus in the city has power to subscribe to the capital stock in such amount as the directors may direct, and, if deemed necessary by the directors of such company, to issue the bonds of the company

in payment for the stock subscribed. Its location to be approved by the Select and Common Councils, before its construction is begun. This is one of the most complete and important enterprises for the interests of the State and city ever presented to the public.—*Phil. Ledger*, Jan. 31.

Railroad Earnings.—The receipts of the Grand Trunk Railway of Canada

From July 1st, 1858, to March 19, 1859, were.....	\$1,616,840 88
Same period 1857-8.....	1,703,436 10
Decrease.....	\$86,595 72

The London Directors of the Grand Trunk Railroad Company of Canada have issued a report under date of the 8th ult., from which it appears that the money already expended on the work amounts to £8,426,200. It is also proposed to raise and expend a further sum of £1,111,500, which will enable the Company to open the entire line from Sarnia to River du Loup and Portland, a distance of 1,057 miles, including the Victoria Bridge. The total expenditure will then be £10,000,000. The local traffic, which was estimated to be £8 per mile per week, has proved to be £11. It is expected that after the opening of the Victoria Bridge, the road will do a business which will leave a net profit of over £600,000, equal to 6 per cent. on the whole capital of £10,000,000, the £3,111,000 advanced by the province of course inclusive. The Directors take the probable weekly traffic of the Grand Trunk at £25 per mile, which, all things considered, is undoubtedly within the mark. The cost of working the road is computed at 50 per cent., which is the existing rate of expense of working the line.

NEW YORK.—At a meeting of the Board of Directors of the New York and Erie Railroad Company, held on the 3d of March, 1859, the following resolutions were adopted :—

Resolved, That on or after this date all subscriptions to the Fourth Mortgage Bonds shall be payable one-half in unsecured bonds of past due coupons, and one-half in cash or past-due acceptances of the company ; and that no new subscription shall be entitled to the privilege of the Fifth Mortgage Bonds.

Resolved, That all past-due coupons, and the coupons maturing up to the 1st of February, 1861, on the unsecured bonds, may be funded in the Fifth Mortgage Bonds of this company.

MAINE.—The States of Massachusetts, New York, Pennsylvania, Maryland, North Carolina, Illinois, Indiana, Missouri and other States, have largely aided by their credit the railroad system. Maine is now called upon to contribute in aid of a trunk line to New Brunswick. According to the *Portland Argus*, the subject will be brought up for consideration by the application of the Aroostook Railroad Company for State aid to the amount of one million of dollars, the select committee of the legislature having reported in favor of a grant of aid to that extent. The plan is to build a railroad from Orono or Milford, in Penobscot County, to such point in Aroostook County, at or near the boundary line between Maine and New Brunswick, as will be most favorable for connection with a pro-

vincial railroad, with a branch road to Houlton. The portion upon the Penobscot, below Mattawamkeag, is to be constructed wholly by private enterprise. For the balance the State is asked to pay \$16,666 per mile, \$5000 in cash and the balance in bonds, and the committee have reported bills to carry this grant into effect by legislative action, and by a corresponding change of constitution by the people, without which the treasury cannot be reached for any such purpose.

We learn from the *Railroad Journal* that bills, appropriating one and a half millions of the public lands to aid in the construction of the Aroostook Railroad, and the European and North American Railway, were passed by the Maine legislature on the 4th instant. A Loan Act was also passed, authorizing the city of Bangor to loan its credit thereto to the amount of \$500,000. There is to be a trunk line from Bangor to the boundary of New Brunswick by the way of Mattawamkeag, with a branch line to Aroostook. These matters have occupied the chief attention of the legislature for the last four weeks, but finally passed by overwhelming majorities. In the Senate the vote stood 24 to 2; in the House, 122 to 5. These measures, it is believed, will secure the building of the railways named.

MICHIGAN.—The legislature of Michigan has enacted a law, appropriating about 500,000 acres of the State swamp lands for the purpose of opening roads, and for the reclamation of the land. Among the roads designated there is to be one from the village of Ontonagon, southerly to the State line; also from Houghton Village by L'Ainse Bay, to the Wisconsin State line. The appropriation is about 640 acres per mile, to be expended under the direction of commissioners appointed by the Governor, who has also full power to dismiss any commissioner who may fail in the due and diligent discharge of his duties.

CANADA.—Our commercial readers are aware that a railway, under the charge of Hon. William Merritt, has been completed near the line of the Welland Canal, from Port Colborne and Lake Erie to Port Dalhousie, on Lake Ontario, a distance of twenty-five miles. The road is designed especially for freight; but of course it will do all the passengers' traffic that offers. Immense warehouses are built at each end of the line, with steam elevators and every modern convenience for handling grain in bulk rapidly and cheaply. Extensive and convenient docks are provided for other freight, and every thing that experience and science can suggest, has been provided to invite the trade of the West. The projectors and friends of this road have every confidence that it will prove of great advantage to the commerce of the lakes.

Port Colborne is but twenty miles this side of Buffalo, and arrangements are made with the Western Transportation Company, by which their line of large propellers is to carry all freight from Port Colborne to all the upper lake ports at precisely the same rates ruling between those ports and Buffalo. It generally takes some three days for vessels to pass through the Welland Canal, while freights on the railway will require but a single hour to transfer them from one lake to the other.

On Lake Ontario and the St. Lawrence, a line of large propellers will run between Port Dalhousie and Montreal, so that freights will be contracted

for directly through from Chicago and the cities on Lake Michigan, to all the ports on the lower lakes and the St. Lawrence. In addition to this, the lower lake line of propellers will connect directly at Montreal with the Canadian ocean steamers, and for the first time we shall have, on the opening of navigation, a complete freight line between the great West and Europe. Agents of these lines will be on 'Change every day, ready to contract for all kinds of freights to any port between Chicago and Liverpool.—*Chicago Tribune*.

The following is a general financial account of the Pittsburgh, Fort Wayne, and Chicago Railway Company, for the close of 1857 and 1858 :

CAPITAL STOCK.

	Dec. 31, 1857.	Dec. 31, 1858.
Paid up in full,	\$6,155,500	\$6,194,900
Scrip given for fractional parts of interest and premiums,...	74,659	65,655
Total,.....	\$6,230,359	\$6,260,555
Funded debt,.....	7,371,000	9,029,765
Floating debt,.....	1,951,875	1,637,594
Coupons due on and after January 1, 1858,.....	....	94,080
Balance due C. & P. R. Co., being rent of road, to accrue to January 25, 1859,.....	....	4,258
Total,.....	\$15,553,234	\$17,046,252

RAILROADS IN GREAT BRITAIN.

Subjoined is an analysis of the position of the 17 principal railways of the United Kingdom on the 31st of December last, as shown by the various accounts lately published to that date. Tables A and B exhibit the total capital raised and expended, table C the gross and net receipts, D the amounts available and paid as dividends, E the ratio of expenditure to receipts and of preference liabilities to ordinary share capital, and F the ratio of receipts to capital and the present market value of each stock. These calculations, which have been prepared by Mr. John Grinstead, by whom previous similar abstracts have been furnished, show that as regards the rate of dividend, the London, Brighton, and South Coast occupies the leading position, and the Great Western the lowest, (with the exception of the Manchester, Sheffield, and Lincoln, which pays nothing,) while in the ratio of expenditure to receipts, the Blackwall, the Great Southern and Western of Ireland, and the Great Western, present the most favorable figures, those of the Eastern Counties being the most unfavorable. In market price the Manchester, Sheffield, and Lincoln, and Great Western stocks are the lowest, while the Brighton and Great Southern and Western of Ireland, are the highest. It also appears that the preferential and loan capital invested in these 17 lines averages $44\frac{3}{4}$ per cent. of the total capital raised, that the gross traffic receipts realize but $8\frac{1}{6}$ th per cent. upon the whole capital expended, and that the net receipts give an average interest on the total capital expended, of nearly $4\frac{1}{2}$ per cent., but that the preferential charges and guaranties reduce the interest on the ordinary capital to $3\frac{3}{4}$ per cent.

CAPITAL ACCOUNTS.

TABLE A.

Name of Railway Company.	Capital Paid up to the 31st of December, 1858.		Total Capital raised by Shares.
	Ordinary.	Preference.	
	£	£	£
London and North-Western,.....	23,346,613	270,000	23,616,613
Great Western,.....	8,162,919	4,660,321	12,823,240
South-Eastern (Jan. 31, 1859).....	7,433,700	934,280	8,367,980
Great Northern,.....	4,796,737	3,442,785	8,239,522
Eastern Counties,.....	5,833,610	2,538,356	8,371,966
London and South-Western,.....	7,197,855	185,390	7,383,245
London, Brighton, and South Coast,...	4,618,554	1,474,281	6,092,835
London and Blackwall,.....	1,348,697	.....	1,348,697
North London,.....	975,000	.....	975,000
North Eastern,.....	11,551,211	3,319,823	14,871,034
Midland,.....	10,013,868	6,326,367	16,340,235
Lancashire and Yorkshire,.....	9,533,244	794,040	10,327,284
Manchester, Sheffield, and Lincoln,...	4,089,012	2,107,389	6,196,401
*North Staffordshire,.....	2,826,372	.....	2,826,372
Bristol and Exeter,.....	2,022,460	804,574	2,827,034
Caledonian (Jan. 31, 1859),.....	3,216,419	1,249,280	4,465,699
Great Southern and Western, Ireland,...	3,044,244	1,123,251	4,167,495
	110,066,515	29,429,137	139,495,652

TABLE B.

Name of Railway Company.	Debentures, Debt Stock, and Loans, Dec. 31, 1858.	Total Amount of Capital raised.	Amount of Capital Expended.	Balance of Capital Account.
	£	£	£	£
	r£	£	£	£
London and North-Western,.....	11,380,159	34,996,773	34,486,609	510,163
Great Western,.....	10,572,245	23,601,485	23,237,554	363,931
South Eastern, (Jan. 31, 1859),.....	2,589,056	11,442,602	11,667,074	.....
Great Northern,.....	3,470,808	11,710,330	11,406,053	304,276
Eastern Counties,.....	2,820,998	11,192,964	11,030,383	162,581
London and South-Western,.....	3,048,517	10,074,775	10,125,561	.....
London, Brighton, and South Coast,...	2,076,185	8,169,020	8,131,539	37,481
London and Blackwall,.....	427,109	1,825,806	1,825,806	.....
North London,.....	337,666	1,312,666	1,311,467	1,199
North Eastern,.....	7,462,492	22,833,526	22,462,695	370,831
Midland,.....	4,380,580	20,720,815	20,653,382	67,433
Lancashire and Yorkshire,.....	3,565,258	13,889,537	13,799,128	90,409
Manchester, Sheffield, and Lincoln,...	2,811,315	9,021,379	8,936,925	84,454
*North Staffordshire,.....	1,298,379	4,124,751	4,090,258	34,492
Bristol and Exeter,.....	978,370	3,805,764	3,710,111	95,653
Caledonian (Jan. 31, 1859),.....	2,379,442	8,616,053	8,481,964	134,089
Great Southern and Western, Ireland,...	285,074	4,451,569	4,557,226	.....
	59,823,648	201,282,817	199,913,755	1,369,062

* Exclusive of Canal.

TABLE C.
REVENUE AND EXPENDITURE FOR THE YEAR 1858.

Name of Railway Company.	Traffic	Working	Total	Total Working	Net
	Receipts.	Expenses.	Receipts.	and General Expenditure.	Receipts.
	£	£	£		£
London and North-Western,.....	2,916,970	1,276,135	3,092,316	1,523,963	1,574,353
Great Western,.....	1,544,132	571,179	1,613,916	649,532	964,324
South-Eastern (Jan. 31, 1859),.....	1,002,506	389,993	1,071,910	520,757	551,153
Great Northern,.....	1,215,278	617,895	1,278,542	666,736	611,806
Eastern Counties,.....	1,074,655	567,450	1,084,979	640,925	444,054
London and South-Western,.....	839,183	341,576	871,140	394,001	477,139
London, Brighton, and South Coast,....	781,302	296,889	791,993	354,756	437,237
London and Blackwall,.....	75,988	27,078	90,323	35,030	55,293
North London,.....	132,192	50,044	135,562	70,512	65,050
North-Eastern,.....	1,774,438	700,558	1,803,285	834,210	969,075
Midland,.....	1,699,486	653,966	1,756,380	775,827	980,553
Lancashire and Yorkshire,.....	1,199,275	492,919	1,228,509	568,448	660,061
*Manchester, Sheffield, and Lincoln,....	499,976	227,408	517,704	235,822	261,822
*North Staffordshire,.....	235,531	123,716	243,800	137,843	105,957
Bristol and Exeter,.....	329,267	132,496	342,486	156,161	186,325
Caledonian (Jan. 31, 1859),.....	656,450	254,671	666,119	292,581	373,538
Great Southern and Western, Ireland,.	335,003	134,854	843,311	1135,352	207,959
Totals,.....	16,311,582	6,864,907	16,938,275	8,012,516	8,925,759

TABLE D.

Name of Railway Company.	Amount of Interest on Debentures, Loans, Guarantees, and Preference Shares.		Amount of Dividend Declared.	Rate of Dividend per Annum. Per cent.	Balance carried forward to next half year.
	£	Amount available for Dividend. £			
London and North-Western,.....	632,038	965,661	942,465	4	23,196
Great Western,.....	838,205	146,431	102,966	1½	43,465
South-Eastern,	254,622	298,460	297,347	4	1,113
Great Northern,.....	384,144	227,981	227,845	4½	136
Eastern Counties,.....	283,720	167,589	164,070	2 13-16ths	3,519
London and South-Western,.....	124,085	360,288	359,892	5	396
London, Brighton, and South Coast,...	160,683	280,295	277,113	6	3,182
London and Blackwall,.....	16,492	38,799	38,709	2½	90
North London,.....	17,535	47,514	46,664	5	850
North-Eastern,	533,379	457,418	443,205	{ Berwick, 4½ York, 3½ Leeds, 2 }	14,214
Midland,.....	505,067	484,196	474,250	4½	9,946
Lancashire and Yorkshire,	297,333	374,623	369,413	3½	5,270
*Manchester, Sheffield, and Lincoln,...	251,441	† 5,203	..	..	† 5,203
*North Staffordshire,.....	54,808	54,148	63,592	† 2½	† 2,124
Bristol and Exeter,.....	79,129	117,236	101,124	5	16,113
Caledonian,.....	250,697	122,840	115,764	3½	7,378
Great Southern and Western, Ireland,.	59,231	160,727	150,046	5	10,681
Totals,.....	4,762,609	4,309,469	4,174,465		146,876

* Exclusive of Canal.

† Inclusive of Canal.

‡ No passenger duty. The receipts from passengers in Ireland are not subject to Government duty.

TABLE E.

Name of Railway Company.	Ratio of Working Expenses to Traffic Receipts.	Ratio of Working and General Expenditure to Total Receipts.	Ratio of Interest on Debentures, Loans, Guarantees, & Preference Shares to Total Receipts.	Ratio of Total Amount of Preference Shares, Debentures, Loans, & Ordinary Paid-up Capital.
	Per cent.	Per cent.	Per cent.	Per cent.
London and North-Western,.....	43	49.19	21.04	49.90
Great Western,.....	37	40.24	51.93	188.98
South-Eastern,.....	39	48.59	23.75	47.40
Great Northern,.....	50	52.15	30.04	144.13
Eastern Counties,.....	52	59.07	26.15	91.87
London and South-Western,.....	40	45.22	14.24	44.93
London, Brighton, and South Coast,.....	38	44.79	20.28	76.67
London and Blackwall,.....	35	38.78	18.26	30.53
North London,.....	38	52.01	12.93	34.63
North-Eastern,.....	39	46.25	29.57	93.34
Midland,.....	39	44.17	28.75	106.99
Lancashire and Yorkshire,.....	41	53.73	24.20	45.73
*Manchester, Sheffield, and Lincoln,.....	45	49.42	48.57	180.29
*North Staffordshire,.....	53	56.54	22.48	45.94
Bristol and Exeter,.....	42	45.59	23.10	88.15
Caledonian,.....	39	43.92	37.64	112.82
Great Southern and Western, Ireland,....	40	43.49	17.25	46.22
Aggregate average proportions,.....	42	47.30	28.12	81.14

TABLE F.

Name of Railway Company.	Ratio of Traffic Receipts to Capital Expended.	Ratio of Net Receipts to Capital Expended.	Ratio of Undivided Net Profits to Ordinary Paid-up Capital.	Market Value of Ordinary Stock, Mar. 1st, 1930.
	Per cent.	Per cent.	Per cent.	Per cent.
London and North-Western,.....	8.45	4.56	4.13	95
Great Western,.....	6.65	4.15	1.80	57
South-Eastern,.....	8.60	4.72	4.01	72
Great Northern,.....	10.65	5.36	4.75	103
Eastern Counties,.....	9.74	4.02	2.87	60
London and South-Western,.....	8.29	4.71	5.00	90
London, Brighton, and South Coast,.....	9.60	5.37	6.07	113
London and Blackwall,.....	4.16	3.03	2.78	64
North London,.....	10.08	4.96	4.87	102
North-Eastern,.....	7.90	4.31	3.96	92
Midland,.....	8.23	4.75	4.83	100
Lancashire and Yorkshire,.....	8.69	4.79	3.93	95
*Manchester, Sheffield, and Lincoln,.....	5.59	2.93	10.12	26
*North Staffordshire,.....	5.76	2.59	1.91	79
Bristol and Exeter,.....	8.88	5.02	5.79	94
Caledonian,.....	7.74	4.40	3.82	83
Great Southern and Western, Ireland,....	7.35	4.56	5.28	105
Aggregate average proportion,.....	8.16	4.46	3.91	

* Exclusive of Canal.

† Inclusive of Canal.

‡ No passenger duty. The receipts from passengers in Ireland are not subject to Government duty.

NEW YORK CITY RAILROADS.

(From the Railroad Journal.)

An analysis of the reports of the city railroads of New York and Brooklyn for the year ending September 30th, 1857, (the reports for 1858 are not yet published,) shows the following as their cost:

Name of Road.	Length in Miles.	Number of Cars.	Cost of Cars.	Number of Horses and Harness.	Cost of Horses and Harness.	Cost of Buildings, Real Estate, and Miscellaneous Items.
Brooklyn city roads,.....	20.51 ..	100 ..	\$85,803 ..	900 ..	\$135,502 ..	\$224,582 ..
Eighth Avenue, New York,....	4.89 ..	61 ..	48,800 ..	471 ..	77,500 ..	207,124 ..
Sixth Avenue, "	4.00 ..	98 ..	61,101 ..	354 ..	71,927 ..	166,915 ..
Third Avenue, "	6.00 ..	71 ..	50,000 ..	529 ..	80,000 ..	40,000 ..
Second Avenue, "	9.00 ..	58 ..	43,500 ..	368 ..	55,200 ..	40,000 ..
Totals,.....	44.40	388	\$289,204	2,622	\$420,159	\$678,621

Name of Road.	Cost of Tracks and Grading.	Cost per Mile of Tracks and Grading.	Cost per Mile of all other Items.	Cost per Mile of Road, including all Items.	Total Cost of each Road.
Brooklyn city roads,.....	\$580,121 ..	\$28,319 ..	\$21,681 ..	\$50,000 ..	\$1,026,708 ..
Eighth Avenue,.....	475,000 ..	97,137 ..	66,868 ..	164,000 ..	808,424 ..
Sixth Avenue,.....	555,012 ..	138,750 ..	75,239 ..	213,989 ..	855,957 ..
Third Avenue,.....	1,000,000 ..	166,666 ..	28,333 ..	195,000 ..	1,170,000 ..
Second Avenue,.....	764,664 ..	82,578 ..	17,856 ..	100,374 ..	903,364 ..
Totals,.....	\$3,375,497	\$76,000*	\$31,260*	\$107,260*	\$4,757,453

From this, it appears that in the cities of New York and Brooklyn there are 44.4 miles of double track railroads, representing a capital of \$4,757,453 in the aggregate, or about \$107,260 per mile. The lowest are the Brooklyn city railroads, which are represented by a capital of \$50,000 per mile, and the highest is the Sixth Avenue, representing a capital of \$213,989 per mile.

It must be apparent to any one at all familiar with the cost of railroads, that these roads could not have cost one-half the amount represented.

The great portion of the dilution seems to be in the cost of the tracks and grading, which varies from \$28,319 to \$166,666 per mile. Assuming that the cost of cars, horses, buildings and real estate is correctly stated, and applying real values to the tracks, we should have the following as the actual cost of these roads:

388 cars,.....	\$289,204
2,622 horses, including harness,.....	420,159
Buildings and real estate, and miscellaneous items,.....	678,621
44.4 miles of track, at \$16,000 per mile,.....	710,400
Total,.....	\$2,098,384

* Average.

The extent of the dilution would, therefore, be \$2,659,069.

On this amount, at least, of fictitious capital in those roads, are the public paying 10 to 12 per cent. per annum.

Assuming that 10 per cent. is no more than a fair return for investments of this kind, \$2,659,069, or an average of about \$80,000 per mile, was the actual value of these franchises to the persons who obtained them. This average is kept down by merging in the calculation the Brooklyn city railroads, which are represented by a comparatively low cost. If we take the New York city lines by themselves, the following is the cost as represented :

288 cars,.....	\$203,491
1,722 horses,.....	284,657
Buildings and real estate, and miscellaneous items,.....	454,039
23.89 miles of tracks,.....	2,794,676
Total,	\$3,736,773
Equal to an average per mile of.....	156,415

Their actual cost, assuming the correctness of the report represented in the items of cars, horses, buildings, and real estate, would show as follows :

Cars, horses, buildings, real estate,.....	\$942,097
23.89 miles of tracks,.....	389,240
Total,.....	\$1,335,337
Equal to an average per mile of.....	55,476

The value of the New York franchise to those who obtained them was, therefore, over \$100,000 per mile, and the public are paying 10 to 15 per cent. interest on a fictitious capital of nearly two and a half millions in the shape of five cent fares upon these roads.

All this goes to prove that the city of New York and any other populous city where similar conveniences of transport are required, could, by a proper control and disposition of these franchises, furnish the public with conveyance in railroad cars at a much cheaper rate than at present.

In this connection the statistics of the business of these roads, deduced from the receipts referred to, will be appropriate. The following table explains itself :

Name of Road.	Cost of Operation.	Receipts from Passengers.	Net Receipts.	Number of Passengers Carried.	Miles run by Cars.	Cost of each Passenger.	Net Receipts per cent. on Cost of Road.
Brooklyn city roads,....	\$287,832	\$378,791	\$90,950	7,557,823	1,891,215	3.8	9
Eighth Avenue,.....	194,383	341,174	147,088	6,879,452	1,023,157	2.84	18.3
Sixth Avenue,.....	162,060	262,041	99,981	5,240,377	950,572	3.1	11.7
Third Avenue,.....	267,094	405,278	138,184	8,155,515	*1,570,000	3.26	11.8
Second Avenue,.....	140,000	168,368	58,368	3,367,371	985,500	3.52	6.6
Totals,.....	\$1,051,369	\$1,587,581	\$536,212	31,783,068	6,420,444	43.3	111.3

* Number of miles not stated in report—estimated. No report published for 1857. These figures are taken from the report of 1856, showing the business from March 19 to Sept. 30, about 6½ months. Proportional amounts are added to make a statement for one year.

Average.

From this it appears that the railroads of New York and Brooklyn, for the year 1857, paid an average of 11.3 per cent. on the capital they represent, or 25.5 per cent. on their actual cost. If we take the roads of New York city alone, we find they paid an average of 12 per cent. on their capital, or 33.6 per cent. on their actual cost.

Taking into consideration the annual increase of travel upon these roads, as shown in the following table, there can be no doubt but that the reports for 1858 will exhibit a business which would pay at least 40 per cent. on their actual cost:

Number of Passengers carried.

<i>Name of Road.</i>	1855.		1856.		1857.
Brooklyn City,.....	6,324,557	....	6,552,582	....	7,575,823
Eighth Avenue,.....	5,748,901	....	6,097,299	....	6,829,452
Sixth Avenue,.....	4,283,743	....	4,757,108	....	5,240,978
Third Avenue,.....	5,770,078	....	7,131,881	....	8,105,515
Totals,.....	22,127,279	....	24,538,870	....	27,751,768

No report for Second Avenue road having been published for 1857, the probable number of passengers carried can only be estimated, without going to their books, by adding the average percentage of increase to the number carried in 1856. This would give about 3,700,000 for 1857, making the total number of passengers carried on these roads in that year, 31,461,768; and, if the increase has continued, as is no doubt the case, for 1858 we shall have a grand total of 35,000,000 passengers, not including the Fourth Avenue railroad.

This company makes no report separating the city travel from its other business; hence it has not been considered in the tables; but, making due allowances, the number of passengers carried on the railroads of New York and Brooklyn for the year 1858, is not far from 40,000,000, and in New York alone, about 32,000,000. The table setting forth the operations of the roads for 1857, it will be seen, shows the average cost of carrying each passenger to have been 3.3 cents. At a fare of four cents per passenger, the gross receipts from this amount of travel, on the New York roads, excluding the Harlem railroad, viz., 28,000,000 passengers, would be \$1,120,000. The expenses would be \$924,000; the net receipts, \$196,000. This would be about equal to 15 per cent. on a fair cost. These are correct deductions from the reports, and cannot be controverted. For every passenger carried, therefore, these companies could have paid the city one cent, and yet have received a splendid return for their investment.

This would have given the city \$280,000 that year.

We do not mean to be understood as being in favor of the city selling these grants to the highest bidder, or of imposing a one-cent toll upon every passenger who rides. Whether the five cent franchises are sold at \$100,000 per mile, or whether a one cent tax is imposed, is the same thing. It is a discrimination against the class who travel in these cars, and are obliged to use them, that ought not to be thought of for a moment. It would be simply the imposition of a tax of over \$300,000 per annum upon the working population for the benefit of those who can afford their carriages.

Why should the mechanic or the laborer be taxed one cent every time

he rides between his home and his work? If the alternative was between giving this \$300,000 per annum to these railroads for nothing, or giving it to the city, we should be decidedly in favor of the latter; but this is not the alternative.

The question is between the working public and the railroads, and no such tax should be imposed upon this travel for the benefit of either the city or the railroads. The travel should have the advantage of it, and the true plan is, to put up these franchises at auction, not to the highest bidder, but the lowest—to give them to that responsible company who will carry passengers at the lowest rate of fare. It is only in this way that the benefits of railroads can be most fully developed and equitably distributed.

But, before even this is done, a well-digested and comprehensive system should be planned—one that will accommodate the whole city, and upon which a passenger may travel any distance in any direction between certain limits, if he desires to, for a single fare. There is no reason why a passenger should pay two or three fares because he desires to go two miles obliquely across the city, instead of going two miles up one of the avenues, which he can do for one fare. The system should be so thorough and comprehensive that the antiquated and barbarous vehicles, called omnibuses, can be dispensed with.

The legislature may charter a dozen separate lines of railroad, but under separate management, without concert of plans, or of action, or of interest, the public cannot be accommodated, and the streets must still be lumbered up and the pavement torn to pieces by omnibuses. That a system can be devised which will accomplish all we say, accommodating every part of the city better than is now done by omnibuses, and upon which passengers may travel in almost every direction for one fare, can be easily demonstrated, and it can be done, too, by the construction of but few miles more of railroad than the present bills before the legislature contemplate. It may take 30 miles of double track in addition to those now in operation to provide a thorough system as far up as the Central Park. This would make a grand aggregate of 60 miles, which, at a fair cost, ought not to represent a capital exceeding \$3,300,000. Ten per cent upon this amount would be \$330,000. As we have shown the profit per passenger at a four-cent fare to be 0.7 cent, there would be required but 46,000,000 passengers per annum to enable the roads to earn this dividend. That such a system as is here proposed would carry more than 50,000,000 passengers per annum admits of not a moment's doubt. This is a subject of the deepest importance, not only to the city of New York, but to all of our large cities; and it is time that the public should awake to the manner in which their rights are squandered—for the privilege of transport through the public highways at the lowest fair rate is a privilege of which they ought not to be dispossessed. Loose legislation, the influence of interested parties, and an unscrupulous system of lobbying, are fast disposing of this right, and subjecting us to an incubus which, once fixed, can never be removed. No city in the world, in its general shape and plan, presents such favorable features for the adoption of a great system of transit as the city of New York, if proper advantage be taken and proper use be made of them. Let us pause before it is too late. The necessity for the roads now pending in the legislature is not so imminent but that time can be taken to devise a general system, of which these may possibly form a part.

LEGAL MISCELLANY.

I. NEW JERSEY FREE BANKS.—II. INSOLVENT BANK NOTES.—III. BANKING IN DISTRICT OF COLUMBIA.—IV. INSURANCE NOTES.—V. COUNTY SUBSCRIPTIONS TO RAILROADS.—VI. ENDORSEMENT OF BILLS.—VII. FORGERY—BILLS OF EXCHANGE.—VIII. COMMON CARRIERS—INLAND NAVIGATION.—IX. THE LAW OF COMMON CARRIERS.—X. INSOLVENCY—PREFERRED CREDITORS.—XI. USURY.—XII. THE USURY LAW OF MARYLAND.—XIII. USURY IN NEW YORK.—XIV. LIABILITIES OF NOTARIES PUBLIC.—XV. COLLECTION PAPER—FAILURE.

I. LIABILITIES OF OWNERS OF FREE BANKS—CONSTRUCTION OF NEW JERSEY BANKING LAW.

James E. Dayton, Receiver of the American Exchange Bank, agt. John B. Boret. Before the Supreme Court of New York.—OPINION—SLOSSON, J.—The action is brought by the plaintiff, as Receiver, to enforce payment by the defendant, as one of the subscribers to the certificate, whereby he, with six others, associated themselves together as a banking association, under the laws of New Jersey, of such an amount upon his subscription as will be sufficient to liquidate and discharge the outstanding liabilities of the bank. Also, for the same purpose, to enforce payment by him of the amount of a portion of the circulating notes of the bank, which, it is alleged, the defendant wrongfully abstracted, and appropriated to his own use.

The defendant, by way of answer to the claim, insists :—

1st. That the plaintiff has not shown title as Receiver. 2d. That there are no outstanding debts due by the bank. 3d. That the judgment recovered by Tinkham against the bank, in the Court of New Jersey, on the bill of exchange in evidence in the case, is not conclusive upon the defendant as evidence of a debt due by the bank. 4th. That the bank had no legal power to accept such bill of exchange, or to issue the letter of credit upon which it was drawn, and that, at most, it creates an obligation only on the acceptor (Cooke) in his individual capacity. 5th. That the defendant's subscription for stock creates no liability on his part in favor of a creditor of the bank, or at least in favor of other stockholders represented by the Receiver. 6th. That before the bill of exchange was drawn the defendant had parted with all his interest in the bank.

My conclusions upon the whole case are these :—

First—The Court of Chancery, in the state of New Jersey, had jurisdiction of the subject-matter of the controversy or suit in which the receiver was appointed. ["Act to prevent frauds by Incorporated Companies." 2 R. S. N. J., 16, § 5 and 7.]

In a court of superior and general jurisdiction, and its judgment in that suit must be held conclusive by this court upon the matter that was in issue before it. [Constitution N. J., act 6, § 1; Smith's leading cases (H. & Wallace's notes), 703.]

The Receiver was properly appointed, and his title has not been satisfactorily impeached.

Second—The answer in this case admits the insolvency of the bank, and the appointment of the Receiver in the judicial proceedings in the Court of Chancery, would be *prima facie* evidence, at least, if not conclusive evidence of that fact, which is a jurisdictional fact. [§ 5 and 7 of the act above cited.] Moreover, the judgment against the bank, upon which those proceedings were founded, is not shown to have been satisfied, and must be presumed to be unpaid, and that establishes one debt at the least. This judgment has not been impeached for fraud, collusion, or mistake, and is therefore conclusive upon the defendant in this action as evidence of a debt due by the bank. [Moss *agt.* McCullough, 7 Barb. R., 279; Slee *agt.* Blum, 20 J. R., 669.]

Third—This necessarily disposes of the ground of defence, that the bank had no legal power to accept the bill of exchange, or to issue the letter of credit proved in the case. If the judgment is conclusive, the consideration of the debt upon which it was founded cannot now be inquired into. If the question were open, however, I should be strongly of the opinion that the bank had the legal capacity to contract in this form by its President, and that this acceptance created a legal obligation on the part of the bank; but especially should I hold this in favor of this plaintiff, whose *bona fides* is not disputed beyond the fact that he was put on notice by the form of the bill itself. [Act 1850, N. J., § 18, 21; Safford *agt.* Wychoff, 4 Hill, R., 442.]

Fourth—The subscription of the defendant created a legal obligation on his part to pay the amount of the shares subscribed for by him, at least to the extent of the claims of creditors, and this obligation may be enforced at the suit of the Receiver. ["Act concerning Corporations." N. J. R. S., 136, § 5; Palmer *agt.* Lawrence, 3 Sandf. R., 161; Buffalo and New York Railroad Co. *agt.* Dudley, 4 Kernan Rep., 336; Sagory, Receiver, *agt.* Dubois, 3 Sandf. Ch. R., 466.]

Fifth—Under the evidence in the case, I find that the defendant had not so parted with his interest in the bank at the time it became liable on this acceptance to the plaintiff as to relieve him from liability as an original subscriber for stock.

Under these views, and as it is not pretended that the defendant has ever paid a dollar towards his subscription, it becomes unnecessary to express any opinion as to his liability in respect to the circulating notes withdrawn by him. I have no doubt, however, of his liability to refund the whole amount. Unless the parties can agree upon the amount of the outstanding debts of the bank, there must be a reference to ascertain and report the same, and there must be a judgment in favor of the plaintiff against the defendant, that he pay upon the stock subscribed by him an amount which shall be equal to such outstanding indebtedness not exceeding the amount of such subscription, to be applied by the Receiver in extinguishment of such indebtedness, with interest and costs of this suit.

II.—NOTES OF INSOLVENT BANKS.

Judge READ delivered the opinion of the Supreme Court in the case of the Bank of Pennsylvania *vs.* Spangler, which involved the question whether or not the notes of that bank were to be received by its assignees

in payment of debts due to it. The decision is in favor of Spangler, and to the effect that the notes must be so received. We give a copious extract from the opinion :

"Continental money having disappeared with the close of the revolutionary war, the only currency of the United States at the time of the charter of the Bank of Pennsylvania was gold and silver coins, and the bank-notes of the four existing institutions of Philadelphia, Boston, and New York. No apprehensions being then entertained of the banks refusing to pay gold and silver on demand, no provisions were introduced into their acts of incorporation in case of such a contingency—nor are they to be found in our laws until the re-charter of the Philadelphia Bank and of the Bank of the Northern Liberties in 1823.

"The 18th, 19th, and 20th articles of these charters, and the same articles of the acts to re-charter certain banks, passed 18th March, 1824, provided that in case of refusal to pay in gold or silver any of their notes, bills, or obligations, or any moneys received upon deposit, the holder or owner should receive in the case of the two first-named banks 12 per cent., and of the other 6 per cent. from time of demand, which was to be endorsed thereon by the president or cashier, and three months after such refusal to pay, the holder or proprietor might apply to the judge of any court who should give at least ten days' notice to such president or cashier, and if the facts were substantiated, it was made the duty of the judge to reduce the same to writing, and transmit the same to the Governor, who was to issue his proclamation, declaring the charter to be forfeited, and from and after ten days after the date of said proclamation the charter of the said bank should be absolutely null and void, except for certain specified purposes. In case of suspension, it was not lawful for the bank to issue its own notes, or declare or make any new loan or dividend, until such notes, bills, or obligations, were paid. None of the provisions were in any of the acts incorporating the Bank of Pennsylvania, which, in February, 1842, was unable to redeem its paper even with the currency of the day, and could not pay the interest due on the State debts. (*Commonwealth vs. Bank of Pennsylvania*, 3 W. & S., 185.) This, and the general continued suspension of all the banks, gave rise to the 'act to provide for the resumption of specie payments by the banks of this Commonwealth, and for other purposes,' passed March 12, 1842—P. L., p. 68. This was a general law, and intended to provide for all cases of general assignment by banks for the benefit of creditors. The first section provided for the forfeiture of the charter when a bank did not redeem its notes, deposits, and other liabilities, in gold and silver coin. The second section provided for the application to a court or judge, a citation to the bank, services, and hearing of the parties; and if the provisions of the first section were violated, then the directors were to make a general assignment to trustees, subject to the approbation of the stockholders, in trust for the benefit of all their creditors, which assignment was to be approved by the Court of Common Pleas, and recorded in the proper county within thirty days. The assignees were to proceed to sell and collect, 'provided, however, that the said assignees shall receive, in payment of debts due to said bank, its own notes and obligations, and the checks of its own depositors at par.' After some other provisions, it was provided that the corporate power of the bank should cease except for specified purposes. The third section made it lawful for

the directors of a bank, whenever they deemed it expedient, to wind up the affairs of such bank, to make a general assignment of all the estate, real and personal, of the bank—subject to the conditions and provisions relating to assignments by the directors of the banks provided in the second section. This clearly applies to all voluntary general assignments, and places them on a footing with compulsory assignments made on the application of creditors, and the next class of compulsory assignments directed by a majority of stockholders. The provision with regard to the receipts of the notes of the bank by the assignees, at par, in payment of debts due to said bank, applies with equal force to each of these three classes of general assignments, and therefore, in all suits by the assignees under a general assignment, they are bound to receive the notes in payment, whether held by the defendant at the time of the commencement of the suit or acquired afterward.

"This rules the present case; and the act of 29th March, 1842, which contained a similar provision as to the receipts of notes and checks of depositors, but which act was of a temporary character, does not interfere with the operation of the general remedial law, particularly as the State ceased in 1843, by the sale of its stock at a heavy loss, to have any interest in the institution.

"Such a construction of the act of 1842 is in strict conformity with all the previous and subsequent legislation, and is particularly appropriate in relation to this bank, to whose notes a superior credit has been given by the strong terms of the tenth section of act of 1793. Judgment affirmed."

III.—BANKING IN THE DISTRICT OF COLUMBIA.

The long-pending suit of *Smithson, Statham & Co. vs. Wm. Mann* was tried before the Circuit Court at Washington, and a verdict rendered for defendant under instructions from the court. It is understood that it will be taken up on appeal to the Supreme Court. It is said that much ability and energy were exhibited in this case by the contending counsel on each side, producing more than a usually animated struggle. For plaintiff Messrs. Davidge, Ingle, Magruder, Chilton, and Carrington; for defendant, Messrs. Bradley and Gillett."

We add to the foregoing brief statement the principal points ruled by the Court:

1. That the 29th, 30th, 31st, and 32d sections of the act of 1817, which forbids the making and issuing of bills by unchartered partnerships and associations in this District, and declaring that contracts founded thereon, or securities taken therefor, were void, were repealed by the act of 1821, extending the charters of sundry banks, and that said sections are not now in force.

2. That under the restraining law of July 7, 1838, it is unlawful to issue or pass, or offer to pass, in this District, by any individual, "any note, check, draft, bank-bill, or any other paper currency, of a less denomination than five dollars."

3. That a contract made in this District where such paper formed the whole or any portion of the consideration was void, and no recovery could be had upon it.

4. That where a contract was made in, or made here and to be executed in New York, the consideration of which was to circulate in that State bills as money, whether of large or small denominations, issued by an unchartered association, partnership, or company, without being specially authorized by law, such contract is prohibited by the statutes of that State, and no recovery could be had thereon.

5. That where an agent was employed to circulate bills for a percentage, if he conducted the business as a prudent man would conduct the like business for himself, and loss ensues by the non-payment of notes which he might take in the course of such business, the principal, and not the agent, must sustain such loss.

6. That if the jury should find the whole evidence presented in the cause to be true, (it being all in writing except the proof of signatures, which were not the subject of controversy,) it did not present a case entitling the plaintiffs to recover.

We believe that some other points were decided, but, it is believed, of no general interest to the profession or public.

IV.—INSURANCE NOTES.

Nelson & Sturges agt. Wellington. Before the Superior Court of New York: Judge Woodruff presiding. This action was brought to recover the amount of an insurance note, given by the defendant to the Atlas Mutual Insurance Co., payable to its order, dated November 24, 1855, on an open policy of insurance in advance of premiums. About one-third of the amount of the note had been earned and endorsed on the policy. On the 15th day of January, 1856, this note, with others, was transferred, by a certain trust deed, to Nelson & Sturges, who were trustees of the company, as collateral security to a loan made by them to the company. The trust deed contained a provision that the plaintiffs might sell the notes taken under it, at public or private sale, but plaintiffs instead thereof brought suit. The endorsement on the note was "Pay — for account of the Atlas Mutual Insurance Co., George A. Tracy, Secretary."

Defendants claim that the trust deed was void, being in violation of the statute, but if not void, the only remedy of the plaintiffs is to sell and not to sue; that plaintiffs acquired no title to the note; that the company was insolvent when the note was transferred, and hence the transfer was invalid; that in any event only the amount endorsed on the policy can be recovered.

The jury, under the direction of the court, found a verdict for the plaintiffs for the full amount of the note.

This case derives importance as well from the principles of law involved as from the fact that it is a leading cause to determine the right to the recovery by the plaintiffs, of a large number of notes held under the same circumstances.

V.—COUNTY SUBSCRIPTION TO RAILROAD STOCK.

Another judicial opinion is announced in the matter of towns lending their bonds in aid of railroads. Towns in Cayuga county, in this State, exchanged their bonds for railroad stock, and, as in many similar cases, the

attempt is made to avoid the payment of both principal and interest, the road so assisted being unfinished and the stock worthless. The question in the present instance was tested by the Cashier of the Cayuga County Bank, who brought suit on some of the bonds which he holds. The town demurred to the complaint, and Judge Wells, of the Seventh district, has given his opinion on the demurrer. The *Albany Journal*, of Saturday evening, says Judge Wells sustains the claim of the defendants on the ground that "it does not appear that the town officers borrowed any money" upon the bonds, which was what the law authorized them to do; and that "it does not appear that two-thirds of the taxpayers gave in writing their assent" before the bonds were issued, as the law required should be done.

"So far, the Court appears to justify the refusal of the towns to pay the bonds. This, however, is not to be understood as a final decision to that effect. Given upon points raised by demurrer, the opinion only requires the holders to amend their complaint and establish the above facts, which 'do not appear' in it. Should they fail to do so, we infer that the decision of the Court will be adverse to them. Should they succeed in so doing, the trial of the case will proceed."

While this case turns upon incidental and conditional points, the main point, viz., the constitutionality of the law allowing such municipal loans, has, it will be remembered, already been decided by the Court of Appeals. In the case of the village of Rome, it sustained the constitutionality of such a law, and has so far declared it to be the duty of the authorities to pay the bonds, principal and interest. There is one point, however, in the case of the village of Rome, yet to be passed upon, viz., that \$500,000 of stock should have been subscribed by other parties before the village bonds were issued, which condition, it is averred, was not complied with. This point will come before the Court of Appeals in April next, and the decision is looked for with much interest.

VI.—ENDORSEMENT OF BILLS.

A new and important legal principle on the commercial usage of endorsing bills, for corporation account, by the Cashier or Secretary, was pronounced in the Supreme Court of New York, a few days since. The case was reported in the *Times*, and the ruling of the Court, JAMES, Justice, is that an action against a bank on a protested bill cannot hold on the simple endorsement of A. B., Cashier, without the avowed purpose of negotiating the bill, or the specification of the name and authority of the bank supposed to be represented shall accompany such endorsement. The case made is a peculiar one in this, that the bill was negotiated or sold by the Ohio Trust Company in New York, while the purpose for which it was remitted by A. B., cashier of the Salem (Ohio) Bank, was simply for collection. Nevertheless the principle that a Cashier cannot bind his corporation by merely writing his own name before the word Cashier is so often departed from, even in such instances as the present, where it seems the character of the bank forbids the conveyance of property by the Cashier or other employees alone, or without the previous action of his Board of Directors, that the decision should attract attention. And while the old usage is being corrected, it would not be out of the way for the endorsements upon bills sent from the interior for collection or negotiation, as well as the name

of the maker, to be accompanied by a reference to the place of residence of each. It would save both risk and confusion in notifying the non-payment or non-acceptance of bills.

VII.—BILLS OF EXCHANGE.

Graves agt. The American Exchange Bank. Before the N. Y. Court of Appeals, 1859. The drawee of a bill of exchange is bound to ascertain that the person to whom he makes payment is the genuine payee or is authorized by him to receive it. It is no defence against such payee that the drawee in the regular course of business, and with nothing to excite suspicion, paid the bill to a holder in good faith and for value, under the endorsement of a person bearing the same name as the payee.

It seems that it is forgery for a person not the payee of a bill of exchange, but bearing the same name, to endorse and transfer it knowing that he is not the person intended as the payee.

Bank of Syracuse agt. Hollister.—A note, payable at the Bank of Utica, where the maker had no funds, was delivered, after business hours on the last day of grace, to the teller, who was also a notary, at his dwelling-house, for the purpose of demanding payment. He went to the bank, and being unable to obtain entrance, demanded payment of himself at the bank door. *Held*, a sufficient presentment to charge an endorser.

Boyd and another agt. Cummings and another.—A promissory note was endorsed for the accommodation of the maker, and was transferred by him before maturity to a judgment creditor as security for the payment of his judgment, and in consideration of the discontinuance of proceedings supplementary to execution then pending against the maker; *Held*, that such discontinuance made the creditor a holder for valuable consideration, and that not having notice of any restriction imposed upon the maker as to the use to be made of the note, he could recover against the endorser.

Davis and others agt. McCready and others.—The breach of an executory contract which formed the consideration for the acceptance of a bill of exchange, is not a defence in whole or in part against endorsees who took the bill for value, with notice of the contract but without notice of a breach.

VIII.—COMMON CARRIERS—INLAND NAVIGATION.

The American Transportation Company vs. Franklin Moore and others. Before the Supreme Court of Michigan.—1. Whether, in a particular case, a merchant in New York, shipping goods to his correspondent in the interior, had authority to make a contract on behalf of the correspondent for shipment, on different terms from those ordinarily adopted by Common Carriers, is a question of fact, to be determined by the jury upon the evidence; and the Court cannot, properly, be asked to make any charge that shall absolutely dispose of the fact in controversy.

2. Although it devolves upon a Common Carrier to show affirmatively the terms of any contract which lessens his common law liability, yet that fact is to be proved, like any other, by any pertinent evidence. If in writing, the writing must be shown; but, if, by parol, there is no rule which requires different proof from that which would establish any other compact. The jury must be satisfied, from the evidence, that a certain contract exists; and, if satisfied, that is sufficient.

3. Where the Court is asked to, and does, charge the jury as to the conclusive nature of a written contract between the parties, if they shall find such contract established by the evidence, and there is no proof in the case showing, or tending to show, a written contract of the kind mentioned in the charge, such charge is improper, as tending to mislead the jury.

4. The navigation of the great American lakes, and their connecting waters, is not "Inland Navigation" within the meaning of the Act of Congress entitled "An Act to limit the liability of ship-owners, and for other purposes," approved March 3d, 1851. And, therefore, when goods were intrusted to a common carrier, to be transported from New York to Detroit, by way of Lake Erie and the Detroit River, and while upon the steamboat of the carrier, in the harbor of Buffalo, in the course of transit, were destroyed by fire, without any negligence or fault on the part of the carrier or his agents, the carrier is not liable to the owner for the loss.

IX.—THE LAW OF COMMON CARRIERS.

John B. Powell vs. the Pennsylvania Railroad Company. Before the Supreme Court of Pennsylvania, March, 1859.—1. Where a common carrier of livestock, as horses, permits a shipper to put straw into a car, although the company's agent told the shippers that if straw was used it must be at the shipper's own risk, and the shipper has signed a release from all claims from damage to livestock while in the company's cars, and the straw is fired and damage ensues to the animals, this is negligence, and the carrier is liable on his contract.

2. When the Court was requested to charge under the above facts, that if there was liability to fire from the locomotive, it was negligence for the carrier to permit straw, which is a combustible material, to be used in the car, and if the jury find that the fire originated from that cause, the carrier is liable, it is error to refuse so to charge.

X.—INSOLVENCY—PREFERRED CREDITORS.

Coolidge and Dubarrow vs. Nicholas G. Curtis et al. Before the United States Circuit Court for the Southern District of Ohio.—1. If the construction of a State statute has been settled by the decision of the highest Court of the State, the Courts of the United States uniformly adopt such construction.

2. In Ohio, a failing debtor may prefer creditors, by assignment or otherwise, if done under circumstances which repel the inference of a fraudulent purpose.

3. The Supreme Court of that State have decided that the act of the 14th March, 1853, "declaring the effect of assignments to trustees, in contemplation of insolvency, and the statute of 1838, of the same import, do not affect assignments or transfer made for the sole benefit of the assignees or transferees; but if made trustees for other parties, the statute applies, and the property is held for the equal benefit of all the creditors."

4. But no trust will be implied merely from the fact that an assignment or transfer has been made by an insolvent debtor to indemnify a surety for such debtor, if no more property has been assigned than was necessary for

that purpose, and the facts warrant the presumption that nothing was designed but the bona fide indemnity of the surety.

5. Although such surety may be liable to respond to the creditors not provided for, for any surplus after paying the debts for which he was bound, he is not a trustee within the contemplation of the statute referred to.

XI.—USURY.

The Union Bank at Rochester some time since sued JOHN M. FRENCH and others, to recover the sum of \$15,000 on a note held by the Bank and given by the defendants.

On the 23d of March, 1857, Mr. FRENCH says he made a note for \$6,000 at the Union Bank, which was discounted, and on subsequent occasions got renewals, adding sometimes to the amount of the notes until at last the amount reached \$15,000. Some of the notes were made payable in Albany, as Mr. FRENCH alleges, by desire of the Bank, and finally, on the 23d of December, in the same year, his note became due, and he got another renewal, paying the old note with his check for \$15,000, and subsequently sent into the Bank a check for \$75 to pay the difference between Rochester and Albany. In the payment of this \$75 consists the alleged usury.

Judge STRONG ruled that the taking of the notes by the Bank payable in the city of Albany, even though it was made a condition of their discount, did not render such notes usurious and void. The Judge stating that the Supreme Court in this district and an adjoining one, at the General Term, had held this doctrine. That the sale of drafts by the Bank to be used in payment of notes held and owned by itself, did not vitiate the notes discounted at the time of the sale of such drafts under the act of 1835, the Judge stating that that act had no application to Banks organized under the Free Banking Law, as recently held by the Court of Appeals in two cases; that if the Bank took \$75 in addition to the legal rate of discount, the proposition is correct. If this was taken pursuant to an agreement that an additional sum was to be paid when the notes were exchanged, it was a violation of the statute.

But unless there was an agreement or understanding, the receipt of \$75 by the Bank did not affect the validity of the transaction. It may have been an independent and distinct subject.

The taking of \$75 is evidence from which the jury may infer an agreement.

On all the other points of defence the Court would hold that the statute does not apply, and so ruled. Finally, the Judge said but a single question of fact is to be presented to the jury, and he had been aware for some time since the case commenced, that ultimately it would come to this—was \$75 received by the Bank on the 22d of December, pursuant to an agreement previously made that it should be paid?

Verdict for plaintiff of \$15,927 52, being the amount of notes in suit and interest.

XII.—THE USURY LAW OF MARYLAND.

The Court of Appeals of Maryland has recently made an important decision in relation to the usury laws of that State. In the case of *Dill vs.*

Ellicott, the United States District Court for Maryland decided that if the usury was proved the whole debt was forfeited. In a similar case that of *Bandel vs. Isaac*, Judge Marshall, of the Court of Common Pleas, made a contrary decision, he holding that usury only worked a forfeiture of the amount of interest usuriously charged. On this an appeal was taken, and the Court of Appeals sustains Judge Marshall on these grounds:—

1. We hold that the 49th section of the 3d article of the constitution does not, *of itself*, make void in whole a contract demanding or exacting more than six per cent. It merely fixes the legal rate of interest.

2. That it is for the Legislature, by forfeitures and penalties, to make the contract void, either in whole or in part, as to it may seem best, and, by penalties, punish the party or parties making such a contract.

3. That until the Legislature shall, "*by law*," provide the necessary forfeitures and penalties, the act of 1845, chapter 352, remains in force.

We hold the act of 1845, with the exception of its 5th and 6th sections, to be nothing more than an act relating to the *remedy*—that is to say, it prescribes the *mode* in which the party seeking to avoid any part of a contract, on the ground of usury, shall bring such defence to the notice of the court. Until he does bring such defence to the notice of the court, in legal contemplation, it has no existence. If, however, it should be deemed expedient to adopt any other mode, it is for the Legislature to provide it.

From these it follows that the judgment of the Court of Common Pleas must be affirmed, until the Legislature shall otherwise order, an action may be maintained on a contract on which was demanded or taken more than six per cent. interest; and if the defendant desires to rid himself of liability for the excess beyond the six per cent., he must specially plead and set out what is actually and fairly due on the contract; unless he does so he will be responsible to the extent of the face of the contract.

XIII.—USURY IN NEW YORK.

A decision was rendered by the New York Court of Appeals, in the case of *Oliver Lee & Co.'s Bank vs. Wells D. Walbridge*, last week. We are not informed of the details of the case, but it is known that the issue was made distinctly on the question, whether the making of Bank paper payable below, is usury. It was claimed on the part of the defendant that the Bank, in exacting from him paper payable in the city of New York, obtained more than legal interest, and was guilty of usury. The final decision of the Court of Appeals, distinctly affirms the right of Banks to negotiate paper payable in the city of New York, with its attendant advantages. Whether they are permitted to require such paper, we are not informed, but suppose that they are. The decision adds very largely to the money making capacity of country Banks, while it settles a vexed question in commercial ethics.

XIV.—LIABILITIES OF NOTARIES PUBLIC.

BEFORE THE CIRCUIT COURT OF THE U. S.; BOSTON.—*J. B. Codrington vs. Charles B. F. Adams*—A bank which receives a note for collection in the ordinary course of business, from a bank in another city, bearing the endorsement of the latter's cashier, is not bound to send notice of non-pay-

ment to any other party than its principal; and the fact that the first endorser resided in the same city with the first bank, even if known, would not change the duty of its agency. There is therefore no presumption that a notary public employed by the first bank was instructed to do more than his employer was bound to do.

This was an action on the case against a notary public for negligently omitting to give due notice to Theodore Otis, an endorser of a note which had been committed to the notary to be protested. The note was signed by William Blanchard, and payable to Theodore Otis or order, and endorsed by him, by the plaintiff, and by F. W. Edmands, cashier. The plaintiff called the defendant as a witness, who testified that he received the note from Mr. Hall, the cashier of the Bank of North America, in the city of Boston; that F. W. Edmands was the cashier of a bank in the city of New York; that the witness had general instructions from the Bank of North America, that when a note is endorsed by a cashier out of Boston, the notices to endorsers were to be sent to such endorsing cashier. That when he received the note at the Bank of North America he inquired if they knew the parties. The answer by Mr. Hall the cashier, was, No; he must enclose the notices to the cashier in New York. That he went to the place of business of the maker in Boston on the maturity of the note, and demanded payment of the person in charge there. The answer was, the maker was absent, and there was no one to pay. He then inquired, if they knew who Otis was; to which it was replied, he was an out of town man. He did not inquire where he lived, nor look in the directory. He knew a Mr. Otis, but did not know his christian name, nor that the person whom he knew was Otis, the endorser of this note. He put the protest of the note for non-payment, and notices to Otis and the other endorsers, into the post office the same afternoon, directed to Mr. Edmands, cashier, at New York.

In point of fact, Mr. Otis was a member of the bar in the city of Boston, and his name was in the directory.

Upon this evidence, which was all that was offered in behalf of the plaintiff to support the charge of negligence of the defendant, the court intimated that, in its opinion, the jury would not be warranted in finding a verdict for the plaintiff, and thereupon the plaintiff submitted to a verdict for the defendant. He now moves for a new trial, and assigns for cause that there was evidence which would have warranted a different verdict.

CURTIS, J. I consider it to be settled, that the Bank of North America, which received this note for collection as an agent of the New York bank, was employed only to make due demand of payment, and, if it should be refused, to give seasonable notice to the New York bank, which was its principal;—and that the fact that the first endorser resided in the city of Boston, even if known to the Bank of North America, does not change the duty of its agency. *The United States Bank v. Goddard*, 5 Mason, 366; *Phipps v. The Millbury Bank*, 8 Met. 79.

Whether, if the Bank of North America had actually employed the defendant to do more than this, and he had neglected such additional employment, the plaintiff could have availed himself of the act of the Boston bank in contracting for such additional employment, it is not necessary to determine. I do not mean to express any doubt that he might, for I have not fully considered the question in all its bearings. But, as the Bank of

North America, so far as appears, received this note in the usual course of business, for collection, and was not bound to give notice of non-payment to any party except the New York bank, which sent it bearing the endorsement of its cashier, there is no presumption that when the plaintiff was employed, it was to do any thing more than his employer was bound to do. And certainly there is no evidence that his employment extended further. The only witness testifies that his employment was expressly restricted to giving notice to the bank in New York, both by general instructions, applicable to this note, and also by an express direction given when he received the note. This witness was called by the plaintiff, and though he is the party defendant, the plaintiff could not argue to the jury that he did not intend to testify truly.

The plaintiff's counsel urges that, he might have argued to the jury there was no such absolute direction given to send the notices to New York, as the witness testified to; but only to send them there if it should be ascertained the endorsers were not residents; and that he might have so argued from the fact that the defendant inquired, at the maker's place of business, if Otis was known there. But the witness gives a satisfactory explanation of that; for he says that though he did not consider himself employed to give notices to the endorsers, save by sending them to the cashier in New York, he should, as a matter of courtesy, have given Mr. Otis a notice if he had known or been informed that he lived in Boston.

Undoubtedly I should have formally submitted this case to the jury, with instructions as to the law, and left it for them to find the extent of the employment of the defendant, for it is matter of fact, if I had not understood the plaintiff's counsel, at the time, not to desire to have it so submitted. And I should set aside the verdict now, and allow the evidence to be submitted to a jury, were I not clearly of opinion that the intimation given at the trial was correct, that the evidence would not warrant, in point of law, a verdict for the plaintiff, and if I did not consider that if a verdict for the plaintiff were rendered, I must set it aside as against the evidence.

The motion for a new trial is overruled, and there must be judgment on the verdict.

R. H. Dana, for the plaintiff.

XII.—COLLECTION PAPER—FAILURE.

Before the Supreme Court of New York, JUDGE EMOTT presiding.
E. CALDWELL & SON vs. GEORGE SANDERSON & Co. This was an action on a draft of defendants, who are bankers at Scranton, Pa., dated August 22, 1857, on John Thompson, the well-known Bank Reporter, in favor of the plaintiffs. Mr. Thompson was the defendants' banker, and had in his hands, at the time the draft was presented, between \$5,000 and \$6,000 of defendants' money, subject to their draft. The plaintiffs presented the draft for payment to Mr. Thompson, Aug. 24, 1857, took his check for the amount, and gave up to him the defendants' draft—the same being charged to defendants on Thompson's books. The plaintiffs on the same day deposited the check, which was drawn on the Bank of the Republic, in their own bank—the Tradesmen's—for collection. The check was presented the day following—Aug. 25—through the Clearing House, for payment; but,

Mr. Thompson having stopped payment at 11 o'clock on that day, the check was protested. The plaintiffs took the check back to Thompson, and received back the draft, which was then presented for payment to Thompson, protested for non-payment, and notice given to the defendants.

The defendants' counsel contended that by taking Thompson's check and the surrender of the draft, the defendants were discharged; that as between the plaintiffs and defendants there was payment, and that the draft, if the check was not payment, should have been protested on the 24th.

The Court, after argument, so held, and ordered a verdict for defendants.

THE USURY LAWS.

It is extraordinary with what tenacity our legislators maintain the Usury Laws which have so long disgraced our statute-book. It took England twenty years after the initiatory step in order to cancel entirely the Usury Laws of that country. At first the removal was made to apply to short commercial paper; then, after a few years, to paper of any length of time; finally, in 1854, to bonds and mortgages and all loans whatsoever.

Nearly five years have elapsed since this great reform was completed in England, and not a single voice has been raised to rescind it. The borrowers being in the majority, and having the power, would reinstate the old law, if their interests could be served; but the experience of her mercantile classes is fully and unequivocally in favor of the existing policy—virtual free-trade in money.

The price of money will always be higher where excessive penalties are incurred for breaches of the law. This is apparent even from slight observation. The same rule applies to marine or fire risks in hazardous cases. An extra premium is charged of course for an extra hazard.

If a loan is accompanied by no hazard, the parties being of unquestioned strength, simple interest is demanded merely for the use of capital. But if the loan be slightly a risk, an extra rate is charged invariably, where the loan is granted. If to this risk is added another from fear of the plea of Usury, no rate of interest will create an inducement for a loan. Thus the strong become stronger, and the weak weaker. The strong man can borrow at the lowest rate because he is known to be amply solvent and wealthy. But the man of moderate means, the payment of whose note is contingent upon two risks—first, his life, and secondly, his success in business—is compelled to pay more than the large borrower.

It is this large class of borrowers, people in the middle circles of society, whose credit being limited or unknown, who are compelled to resort to the usurer. It is this class that would be benefitted by a change in the law.

We well know that in this community, as in all large communities, there is a class of capitalists who conscientiously confine their loans within the legal rate of interest. Nothing will induce them to charge a higher rate as long as the law creates restrictions. Hence when a *tight time* comes, when distrust arises and confidence is lost, these men will not loan

at all, or only upon strictly prime paper. The second class paper, which they would readily take when money is abundant, is rejected whenever the financial atmosphere is dark.

Thus the sources of aid are lessened when money is scarce. The pockets of the capitalists are closed to the hungry or needy. A tight time has the same effect upon him that laudanum has upon the human system; it shuts up the channels of circulation.

Now, remove these shackles upon commercial intercourse, and let the borrower and the lender meet on common ground. Make the market free to all capitalists, small and large, and the result will be that when money is scarce, every lender will be free to use his money at such rates as he may deem proper. At all events, there will be more lenders than there are now.

Money-lending partakes, to a large extent, of the character of "Insurance." The premium on Insurance is measured by the risk, whether common, hazardous, extra-hazardous, &c. So if fifty notes are offered for discount to the capitalist, there will probably be fifty different shades among them as to strength. Some would be desirable at 5 per cent., others at $5\frac{1}{2}$, 6, $6\frac{1}{2}$, 7, $7\frac{1}{2}$, 8, down to 10 per cent. or more. And the poor borrower could better afford to pay 8 or 10 per cent. on his small wants than the rich could 5 or 6 on his large demands.

A modification of the Usury Laws in this State is eminently demanded for the sake of the borrowers. Lenders do not ask it, but it is particularly small borrowers who have a claim upon the Legislature for relief.

England has set the example. Pennsylvania has followed it. Other States will follow. And New York should adopt a more liberal system than has hitherto prevailed.

At the monthly meeting of the "Board of Currency," on Wednesday, April 6th, the following resolutions relating to the Usury Laws were unanimously adopted:

Whereas, The experience of the whole commercial world has proved the importance and utility of abolishing Usury Laws, and as the principal commercial centres with which New York is now in daily correspondence have abolished such laws, and thereby exposed this city to a disastrous drain of capital, whenever from war or the exigencies of commerce there may be a demand for capital in Europe or elsewhere, and as the present unsettled state of Europe, with war impending, requires large loans by their Governments, thereby enhancing the rate of interest, and will cause the withdrawal of capital from this country, as was the case during the late war in the Crimea; we, therefore, respectfully urge upon the Legislature of this State, now in session, the necessity of their immediate action, for the protection of the interests of the United States; and we do, therefore,

Resolve, That the Legislature of this State be respectfully and earnestly requested to abolish the Usury Laws, by releasing commercial transactions from the restraints of these laws, by granting the right to the public to regulate their monetary affairs upon principles of entire freedom as regards the rate of interest for the use of capital.

Resolved, That the Legislature of the State of New York be, and they are hereby earnestly requested to repeal the Usury Laws, or at least so far as they may apply to this city, and thus place our commercial emporium upon an equality with those of nearly all the civilized world, as regards the uniform and uninterrupted supply of capital.

Resolved, That a copy of these resolutions, signed by the President and Secretary of this Board, be transmitted to the members of the Legislature from this city.

The Judiciary Committee of the Assembly reported, in March last, a bill modifying our Usury Laws, which, whilst it will please our practical business men, will not conflict essentially with the views of the stringent party, as it has *some* penalty for usurious interest. We hope our Legislature may enact this as a sort of compromise measure. It would do much towards quieting all nervous fears of sudden changes in our money market.

The following is the proposed Act alluded to :

SEC. 1. No grant, transfer, bond, note, bill of exchange, contract or agreement, or loan or forbearance of any money, goods or things in action, except such as are enumerated in the second section of this act, shall be void, or its legality impaired by reason of any paying or receiving, or agreeing to pay or allow such rate of interest as the parties may agree upon.

SEC. 2. In all cases of loans upon bond and mortgage, and of banks and other moneyed institutions, and in all cases where the rate of interest is not specified, the interest shall continue to be at the rate of seven dollars upon one hundred dollars for one year, and at that rate for a greater or less sum, or for a longer or shorter period.

SEC. 3. Any party violating the provisions of foregoing sections shall forfeit the whole of the interest and usury received or agreed to be paid.

SEC. 4. No higher rate of interest than is specified in the second section of this act shall be charged on any judgment after the date of the rendition thereof—rendered in any of the Courts of this State, although such judgment may have been founded upon a writing stipulating a higher rate of interest.

SEC. 5. So much of Title 3, chap. 4, part 2, of the Revised Statutes, and so much of the Laws of 1837 as are inconsistent with the provisions of this act, are hereby repealed.

SEC. 6. This act shall take effect immediately.

The Legislature adjourned without final action upon the matter, but it is believed that the majority of both houses were in favor of the above bill.

Vienna.—Advices from Vienna give the details of the new financial arrangements between the Government and the Bank. The State owes to the Bank £15,000,000, and this debt is to be discharged by handing over to that establishment £3,000,000 due by the Southern Railroad to the Government, £2,000,000 in bonds which arise from estates belonging to the Government, and £10,000,000 by the mortgage of estates held by the Crown. Against the latter the Bank are to be allowed to issue £10,000,000 of one-guilder notes, convertible into silver, to pay off the notes of 1, 5, and 10 guilders, which are still in circulation. The measure is stated to have produced a good effect on the Vienna Exchange.—*Times*.

NEW BANK LAWS.

I. MAINE.—II. NEW YORK.—III. MASSACHUSETTS.

I.—MAINE.

1. AN ACT to amend chapter forty-seven of the Revised Statutes, relating to Banks and Banking.

Be it enacted, &c.,

SEC. 1. The twenty-first section of the forty-seventh chapter of the Revised Statutes is hereby amended by striking out therefrom the following words: "but any special deposit of specie kept by it in the Suffolk Bank, Boston, not exceeding three thousand dollars, a certificate of which is taken and kept by it, shall be deemed in its vaults for the purpose of this section."

SEC. 2. The fiftieth section of the same chapter is amended by striking out the following words occurring after the word "unpaid" in the thirteenth line as printed, viz.: "on the first Monday of each other month he shall make a similar return signed and sworn to by him, but not by the directors, and transmit it to the Secretary of State within five days, stating the capital stock, bills in circulation, specie, deposits, loan, amount due from other banks, bills issued, and amount of unsigned bills on hand."

SEC. 3. The fifty-fourth section of the same chapter is amended, by striking out the word "twenty" in the second line as printed, and inserting the word "four."

SEC. 4. The act to amend sections fifty and fifty-four of chapter forty-seven of the Revised Statutes, relating to banks and banking, approved March twenty-fifth, eighteen hundred and fifty-eight, is hereby repealed.

SEC. 5. This act shall take effect when approved by the governor. [Approved April 2, 1859].

2. AN ACT additional to chapter forty-seven of the Revised Statutes, relating to Banks and Banking.

Be it enacted, &c.,

SEC. 1. Whenever any bank shall surrender its charter, or shall cease to perform the business of deposit and discount, or shall pass into the hands of receivers, it shall be the duty of the officers of said bank to deliver the plates, dies, and unsigned bills of the bank to the Secretary of State, who shall personally, in the presence of the Treasurer of the State, destroy the same within thirty days after he receives them, and shall also make a record of his doings therein, and it shall be the duty of the receivers of any bank as soon as they are appointed to see that the foregoing requirements are carried into effect.

SEC. 2. If any officer of a bank refuses or neglects to comply with the requirements of this act, he shall forfeit for each offence a sum not exceeding one thousand dollars to the use of the State, to be recovered by the Treasurer thereof.

SEC. 3. The provisions of this act shall apply to all banks and their officers

that are now in the process of closing their business, or that may be in the hands of receivers at the time of its passage.

SEC. 4. Any bank in this State when duly authorized by a vote of its stockholders, may subscribe to the capital stock of the bank of mutual redemption located in the city of Boston, to an amount not exceeding five per cent. of its capital stock nor the sum of ten thousand dollars.

SEC. 5. All acts and parts of acts inconsistent with the provisions of this act, are hereby repealed. [Approved April 2, 1859.]

3. AN ACT to amend chapter forty-seven of the Revised Statutes, relating to Banks and Banking.

Be it enacted by the Senate and House of Representatives in Legislature assembled, as follows:

SEC. 1. The twenty-first section of the forty-seventh chapter of the Revised Statutes is hereby amended by striking out therefrom the following words: "but any special deposit of specie kept by it in the Suffolk Bank, Boston, not exceeding three thousand dollars, a certificate of which is taken and kept by it, shall be deemed in its vaults for the purposes of this section."

SEC. 2. The fiftieth section of the same chapter is amended by striking out the following words occurring after the word "unpaid" in the thirteenth line as printed, viz: "on the first Monday of each other month he shall make a similar return, signed and sworn to by him, but not by the directors, and transmit it to the Secretary of State within five days, stating the capital stock, bills in circulation, specie, deposits, loan, amount due from other banks, bills issued, and amount of unsigned bills on hand."

SEC. 3. The fifty-fourth section of the same chapter is amended, by striking out the word "twenty" in the second line as printed, and inserting the word "four."

SEC. 4. The act to amend sections fifty and fifty-four of chapter forty-seven of the Revised Statutes, relating to banks and banking, approved March twenty-fifth, eighteen hundred and fifty-eight, is hereby repealed.

SEC. 5. This act shall take effect when approved by the governor. [Approved April 2, 1859.]

II.—NEW YORK.

1. CHAP. 365.—An Act to amend "An act to enforce the responsibility of stockholders in certain Banking Associations, passed April fifth, eighteen hundred and forty-nine." Passed April 15th, 1859.

The People of the State of New York, represented in Senate and Assembly, do enact as follows:

SEC. 1. Section fourth of the act entitled "An act to enforce the responsibility of stockholders in certain banking corporations and associations, as prescribed by the Constitution, and to provide for the prompt payment of demands against such corporations and associations," passed April fifth, eighteen hundred and forty-nine, is hereby amended so as to read as follows:

A book shall be provided and kept by every corporation and association described in the first section of this act, in which shall be entered the names and residences of the stockholders in such corporation or association on the first day of January, one thousand eight hundred and fifty, and the names

and residences of the original stockholders of every corporation or association organized after the day last mentioned, so far as the same are known to the officers of the bank; the number of shares held by each stockholder; every registered transfer of stock upon the books of the bank after the said last mentioned day; the names of the assignor and assignee, with their residences and the number of shares transferred. The said book shall be at all times during the usual hours of transacting business, open to public inspection. And a refusal by any officer of such corporation or association to exhibit such book to any person demanding the inspection thereof, as herein provided, shall subject the said corporation or association to a penalty of fifty dollars for every such refusal. And every refusal by any such officer having once refused to exhibit such book as aforesaid, is hereby declared to be a misdemeanor, and the officer so offending, upon conviction thereof, shall be adjudged guilty of a misdemeanor, and be punished by a fine not exceeding one hundred dollars for every such subsequent refusal, or by imprisonment for a term not exceeding six months, or by both such fine and imprisonment. The said penalty may be sued for and recovered, with costs, by any person who will prosecute for the same; the one moiety thereof to be paid to such person, and the other moiety to be paid into the treasury of the State. In all proceedings under the provisions of this act, the said book shall be presumptive evidence of the truth of the contents thereof; but such presumption may be repelled by evidence by any party or person interested in repelling the same.

SEC. 2. This act shall take effect immediately.

2. CHAP. 277.—An Act to provide for the reduction of the Capital Stock of Banking Associations. Passed April 13th, 1859.

SEC. 1. It shall be lawful for a banking association, now or hereafter to be organized, under the general banking laws of this State, to reduce its capital stock to an amount which shall be equal to the value of the property and effects of such banking association, above and beyond all its debts and liabilities, and thenceforth the capital stock of such association shall be such reduced amount, and the par value of the shares thereof shall be reduced in the same proportion, but in no case shall such capital stock be reduced below one hundred thousand dollars, the amount now required by law for a banking association.

SEC. 2. Whenever a banking association shall propose to reduce its capital stock, according to the provisions of the first section of this act, due notice thereof shall be given to the superintendent of the banking department, signed by a majority of its board of directors, and accompanied by the written assent to such reduction, of at least two-thirds in amount of the shareholders of such association. It shall be the duty of the said superintendent, upon the receipt and filing of such notice, and within a reasonable time thereafter, to make or cause to be made an examination of its books, property, effects, and liabilities; upon which examination the officers thereof may be examined on oath as to the debts, liabilities, property, and effects thereof. From the result of such examination the said superintendent shall determine the value, in his judgment, of such property and effects, above and beyond the debts and liabilities aforesaid, and certify the same in writing, and the amount so determined and certified, shall be thereafter the

capital stock of such banking association, and the par value of the shares thereof shall be proportionably reduced.

SEC. 3. The expense of the examination herein provided for by the superintendent of the banking department, or caused to be made by him, shall be paid by the banking association for whose benefit the application shall be made.

SEC. 4. The determination and certificate in writing, to be made by the said superintendent, of the amount to which the capital stock of any banking association has been reduced under this act, shall be recorded in the office of the clerk of the county in which such banking association shall be located, and a certified copy thereof filed in the bank department of the State of New York, and the same shall be published by the said superintendent, once a week, for six weeks successively, in the State paper, and at least one newspaper in the county where such association shall be located, at the expense of the banking association applying for such reduction of its capital stock.

SEC. 5. Nothing in this act contained shall in any way change or lessen the liability of the stockholders of any banking association reducing its capital stock under its provisions, to the bill-holders or other creditors thereof, or any indebtedness or engagement now existing, or that may so exist, either absolutely or contingently, against such association, prior to or at the time when such reduction shall take place, or by which the rights, remedies, or security of the then existing creditors shall be weakened or impaired.

3. CHAP. 170.—An Act in relation to fees of Notaries Public in certain cases.
Passed April 8, 1859.

The People of the State of New York, represented in Senate and Assembly, do enact as follows :

SEC. 1. It shall not be lawful for any Notary Public, directly or indirectly, to demand or receive for the service of any notices of the nonpayment of any tax or assessment upon any mortgagee or mortgagees, pursuant to the act authorizing mortgagees to redeem real estate sold for taxes and assessments, passed May fourteenth, eighteen hundred and forty, and for a certificate thereof under his hand and seal, any greater fee or reward than seventy-five cents for each mortgage upon which such notice or notices are given.

4. CHAP. 860.—An Act authorizing Notaries Public of the State of New York to perform the duties now performed by Commissioners of Deeds. Passed April 15, 1859.

The People of the State of New York, represented in Senate and Assembly, do enact as follows :

SEC. 1. In addition to their present powers, Notaries Public of this State are hereby authorized to administer oaths and affirmations, and to take the proof and acknowledgments of deeds, mortgages, and any other papers for use or record in this State, in all the cases where the same may now be taken and administered by Commissioners of Deeds, and under the same rules, regulations, and requirements prescribed to Commissioners of Deeds, and such Notaries' acts may be performed without official seal.

SEC. 2. This act shall take effect immediately.

5. CHAP. 236.—An Act in relation to the Bank Department. Passed April 11th, 1859.

The People of the State of New York, represented in Senate and Assembly, do enact as follows:

SEC. 1. Sections eight and nine of chapter three hundred and nineteen, being an act to amend the act entitled "An act to authorize the business of banking," passed May twenty-sixth, eighteen hundred and forty-one; and chapter sixty-eight, being an act to amend the act entitled "An act to authorize the business of banking," passed May twenty-sixth, eighteen hundred and forty-one, which act was passed on the twenty-ninth of March, eighteen hundred and fifty-one; and chapter three hundred and seventy, entitled "An act to provide for the final closing of incorporated banks, continuing the business of banking until the expiration of their charters," passed April thirteenth, eighteen hundred and fifty-seven, are hereby amended so as to read as follows:

1. Whenever any banking association, individual banker, receiver of a banking association, assignee or assignees of an individual banker, shall have given notice to the Superintendent of their intention to close the business of banking, or the trustees or legal representatives of any incorporated bank whose charter has expired, or the receiver of any incorporated bank, which shall have been declared insolvent, shall have redeemed at least ninety per cent. of their circulating notes, outstanding at the date of such notice, expiration of charter or declaration of insolvency, they shall be entitled to deposit with the Superintendent, and he is hereby authorized to receive a deposit of money equal to the amount of the outstanding circulation at the time of such deposit, to be placed by him in some bank in the city of Albany, in good credit, upon the receipt of which it shall be lawful for the Superintendent to give up all other securities theretofore deposited with him for the redemption of circulating notes issued thereon.

2. Upon the receipt of such deposit, the Superintendent shall immediately give notice in the State paper, and at least one newspaper in the county where such bank, banking association, or banker, shall have been located or doing business, which notice shall be published at least once a week for six months successively, that the notes of such bank, banking association, or banker, will be redeemed by him at the bank where such deposit is made, at par; and that all the outstanding circulating notes of such bank, banking association, or banker, must be so presented for redemption within six years from the date of such notice, and all notes which shall not be thus presented for redemption and payment within the time specified in such notice, shall cease to be a charge upon the funds in the hands of the Superintendent for that purpose.

3. At the expiration of such notice, it shall be lawful for the Superintendent to surrender, and such bank, banking association, banker, receiver, assignee or trustees, or their legal representatives, shall be entitled to receive from him all the money remaining in his hands after such redemption, except so much thereof as may be necessary to pay the reasonable expenses chargeable against the said accounts, including the payment for the publication of the above-mentioned notices.

4. All circulating notes of such bank, banking association, or banker, which shall not have been presented for payment within the period required

by such notice, shall, upon the expiration of such period, cease to be a lien or charge upon the property and effects of such bank, banking association, or banker, in the hands of such receivers, assignees, trustees or otherwise; and all liability of such receivers, assignees, trustees, banks, banking associations, or bankers, for or on account of any circulating notes, which shall not have been presented within the time aforesaid, shall also cease.

5. Said trustees, receiver, assignees, bank, banking association, or banker, may, after the full payment of all the circulating notes issued by them respectively, which shall have been presented within the time required by said notice, and of all other lawful claims and demands against such bank, banking association, or banker, divide the remaining property and effects of said bank, banking association, or banker, among the stockholders thereof, their or his personal representatives or assigns, according to their respective shares and interest therein.

SEC. 2. The Superintendent of the Banking Department is hereby directed to pay into the treasury of the State, all balances of money remaining in his hands unclaimed for six years from the date of such deposit, to be applied to the current expenses of the Bank Department.

SEC. 3. Any legal notice that shall be served upon the Superintendent of the Banking Department in relation to any mortgage of which he is the assignee, shall specify the name of the mortgagor and the description of the premises, as shown by the mortgage, covering them and the name of the party by whom it was assigned to him; and unless such notice shall contain the provisions hereinbefore mentioned, a non-compliance with the terms of such notice, on the part of the Superintendent, shall not invalidate or lessen the security conveyed by such mortgage, or in any manner affect his lien upon the mortgaged premises conveyed under it.

SEC. 4. It shall be the duty of every public officer, into whose hands shall come any counterfeit bank-note plate, or other device for counterfeiting bank-notes, or any counterfeit or spurious bank-notes, immediately, after using them when necessary in evidence against the parties implicated, to surrender the same to the Superintendent of the Banking Department to be destroyed under his supervision, and it shall be the duty of the Superintendent to destroy all such plates, devices or notes thus surrendered to him, in the same manner as he is now authorized to do in the case of banks whose charters have expired or have become insolvent; and to report the same to the Legislature in his annual report.

Among the Acts of the last New York Legislature were the following:

- 1.—To incorporate the Orange County Savings Bank.
- 2.—To incorporate the Jefferson County Savings Bank.
- 3.—To incorporate the German Savings Bank in the City of New York.
- 4.—To incorporate the Union Dime Savings Institution of the City of New York.
- 5.—To incorporate the Dime Savings Bank of Brooklyn.
- 6.—To incorporate the Queens County Savings Bank.
- 7.—To Authorize Stockholders of Buffalo City Bank to redeem Capital Stock.
- 8.—To authorize the Reduction of the Capital Stock of the Mohawk Bank of Schenectady.

9.—To authorize the Eagle Bank of Rochester, and Manufacturers' Bank of Rochester to consolidate the same into a single association.

10.—In relation to the Bank Department.

11.—To submit to the people a law authorizing a loan of two millions five hundred thousand dollars to provide for the payment of the floating debt of the State.

12.—To authorize the Rochester Bank to redeem its Capital Stock.

13.—To amend an Act entitled, "An Act to incorporate the Bloomingdale Savings Bank, passed April 17, 1854.

14.—To amend Section 1, chap. 216, of the laws of 1850 in relation to Troy Savings Bank.

15.—To change the name and location of Niagara River Bank.

16.—To amend the Charter of the Sing Sing Savings Bank.

17.—To authorize the reduction of the Capital Stock of the Bank of Kingston, Ulster Co.

18.—To amend an Act entitled, an Act to incorporate the Rochester Savings Bank, passed April 21, 1831.

19.—In relation to fees of Notaries Public, in certain cases.

20.—To amend an Act entitled, "An Act to incorporate the South Brooklyn Savings Institutions," passed April 10th, 1850.

21.—To provide for the reduction of the Capital Stock of Banking Associations.

III.—MASSACHUSETTS.

In order to arrive at the proper owners of Shares for taxation, the Legislature of Massachusetts, at its last session, passed a law requiring—

1st. That no certificate of Stock shall be issued by any corporation named in the first section of 98th chapter of the laws of 1843, concerning which returns of Shares are required to be made to assessors, until the purchaser shall have informed said corporation of his actual place of residence, and upon the issuing of such certificate the corporation shall register the name and residence of the purchaser, &c.

And the fourth section of said act imposing a penalty of one hundred dollars in each case where a corporation shall neglect to comply with the requirements of the act: it will become the duty of officers of corporations recording transfer of Shares to require the actual residence of persons to whom stock shall be transferred.

In accordance with these provisions, the treasurers of the Boston and Worcester, Old Colony and Fall River, Western, Boston and Maine, Boston and Lowell, and Eastern Railroads, have issued a circular declining to record transfer of shares in their respective Companies until the name and residence of the person to whom it is proposed to make such transfer shall have been first furnished them in writing.

BANKING IN CONNECTICUT.

Extract from the Annual Report of the Bank Commissioners.

The Commissioners have devoted a much larger portion of time than usual, in the discharge of their official duties during the past year, and have endeavored, faithfully, and plainly, to set forth all the facts which have an important bearing upon the banks and the banking laws of the State.

The strict observance of the statutes by the Banks, may seem to them to be a matter of trifling consequence, and they may have been encouraged in their illegal practices by the omission of the past Legislatures and their Committees, to act upon the Reports of the Bank Commissioners.

In the opinion of the Commissioners, the present is a favorable time for modifying some of the Banking laws of the State, and they therefore respectfully recommend :

1st. A reduction of the circulation of the Banks to 50 or 75 per cent., upon the capital actually paid in.

2d. The requirement of a specific amount of specie, based upon capital, and not upon circulation.

3d. A reduction of the percentage of discounts out of the State, to 25 per cent. of the capital of the Bank.

4th. To limit the amount of interest to be paid on deposits to 4 per cent.

The Commissioners are of the opinion, that to the very large percentage now allowed the Banks for circulation, may be traced a majority of all the serious losses they have sustained ; and limiting the amount in the manner proposed, will tend greatly to restrain them from excessive dealings with parties out of the State.

Under the present law, the specie lines of the Banks are very irregular, and the fluctuations are not as carefully observed as they should be ; but fix the amount to a given percentage upon capital, and not only the Banks, but the public, will always know what amount is at all times required. No per cent. of specie is now required by law for deposits, and should a Bank abandon the use of its own bills, there is no law requiring them to keep specie at all.

The present law relating to loans out of the State, is based upon capital deposits and circulation. There are many objections to the loaning of money out of the State, on the basis of circulation and deposits, for both are demand liabilities, and cannot be said to form a part of the capital of a Bank. The present limit is deemed to be too large, under ordinary circumstances, for the best interests of the Banks.

The practice of receiving deposits, and issuing therefor, certificates payable on demand, and drawing interest at the rate of 6 per cent. per annum, is regarded by the Commissioners as a virtual creation of a preferred stock, which gives the holder a preference over the general shareholders, and is liable to be called for when the Bank is least able to pay it.

A modification of the laws, in the manner proposed, it is believed would greatly tend to equalize and secure a greater uniformity in the business of the Banks, diminish their losses, and enable them to pay more uniform dividends to their stockholders.

Many of the Banks are in the habit of carrying forward in their

accounts, large amounts, as surplus earnings, while at the same time they have sustained large losses on suspended debts.

The practice is deceptive, and misleads the public as well as stockholders, as to the true condition of the Bank and the value of its stock.

There are various penalties attached to the violations of law; but as the statutes fail to make it the duty of any particular person or officer to see to their proper enforcement, they remain a dead letter, and will no doubt so continue, until the defect is supplied.

In conclusion, the Commissioners cannot refrain from bearing testimony to the general soundness and prosperity of the Banks, and to the noble efforts made by them during a season of great embarrassment, to sustain themselves and the community in which they are located.

The Legislature of Connecticut at its last session, granted special charters for nine Banks of Discount, viz.: The Etna Bank, of Hartford; Bank of Norwalk, Norwalk; Clifton Bank, North Stonington; Granite Bank, Voluntown Bank, Merchants and Manufacturers' Bank, Hartford; Mohegan Bank, Pawcatuck; Old Lyme Bank, Old Lyme; Pequot Bank, Norwich; Putnam Bank, Putnam. But four of these Banks were organized, in 1858, viz.; the Etna Bank, and the Merchants and Manufacturers' Bank, both of Hartford; the Bank of Norwalk, and the Granite Bank, all of which, except the Granite Bank, are now transacting business.

THE PRODUCTION OF GOLD AND SILVER.

I. STOCK IN SIXTEENTH CENTURY.—II. RELATIVE PRODUCTION AND STOCKS IN NINETEENTH CENTURY.

Gold versus Silver.—The great increase in the annual production of Gold, and the immense absorption of Silver by India, are beginning to alter the relation between the stocks of the two metals in such a degree as to excite general attention. We have before noticed a translation by Richard Cobden of a work by Chevalier on the Precious Metals, recently published. In this work, which has attracted comment here and abroad, only the probable effect of the change in the relation of the two metals is given. There are no statistics by which individual opinions may be formed, or the author's theory verified; and as the subject is one of vast importance, affecting, as it does, the two standards by which all property is valued, and one of proof rather than theory, we have compiled, with labor, from the different authorities, including Jacob on the *Precious Metals*, Humboldt's *Statement of the Production of Silver in Mexico*, Tooke's *History of Prices*, and the official statements of the production of gold since 1849, the exact stocks and relative changes of the two metals at different periods. Those who wish to verify the statements can do so from the above-named authorities, though at the cost of no little labor. While the two metals are the money of the world, they must bear a certain relation of value; and since this relation of value is dependent upon the relation in the stocks of the two metals, it follows that with fluctuations in the stocks of the two metals, there must be corresponding fluctuations

in the relative value, or one of the metals must be wholly or partially abandoned as money. We propose to show what have been the effects from past changes in the stocks of the two metals, and comment on the probable effects of the future.

The stocks of Gold and Silver in Europe in 1492, at which time the changes following from the production of the silver mines of America may be dated, were as follows :

	<i>Stock.</i>	<i>Ratio.</i>
Gold.....	\$60,000,000	80 per cent.
Silver.....	140,000,000	70 " "

From 1492 to 1803 there were many changes in the yearly productions of Gold and Silver. Until the year 1525 but little Gold or Silver arrived from America. In 1545 the great silver mine of Potosi was first worked, and in 1567 the quicksilver mine of Huancovalica in Peru, was discovered, by which the yield of metal from the same ore was increased, from 1 to $3\frac{1}{2}$. This improvement from the former slow process of smelting may be said to mark a new Silver era. In 1803 the stocks of Gold and Silver were :

	<i>Stock.</i>	<i>Ratio.</i>
Gold.....	\$1,770,000,000	85 per cent.
Silver.....	8,190,000,000	65 " "

It should be noted that the absolute production of Silver increased in this period, from 1492 to 1803, more largely than that of Gold, although the relative production was decreased.

In 1848, the year of the new Gold era, the stocks of the two metals were as follows :

	<i>Stock.</i>	<i>Ratio.</i>
Gold.....	\$2,800,000,000	41 per cent.
Silver.....	4,000,000,000	59 " "

It will be noticed that in the period from 1803 to 1848, the increase in the stocks of Gold was greater than the increase in that of Silver. This does not prove the greater comparative increase in the production of Gold, but may be ascribed to two causes—first, the practice of hoarding in India, and secondly, to the fact that the annual loss of Silver from wear, manufactures, etc., is *four times as great* as the corresponding loss of Gold.

We find that after making the necessary allowances for export to India, wear, use in the arts, etc., and after collecting the returns from California and Australia, the stocks of Gold in 1858 were :

	<i>Stock.</i>	<i>Ratio.</i>
Gold.....	\$3,679,900,000	47 per cent.
Silver.....	4,186,000,000	53 " "

If now we take the different periods, and extend the rate of change in the stocks of the two metals, according to the present rate of production, we will have an idea of the revolution which is going on. We can safely take the present rates of production as not being too large for the probable future production of Gold in comparison with that of Silver, for with the frequent discoveries of Gold on both slopes of the Rocky Mountains and in Australia, the probabilities are that the production of Gold will increase more rapidly than that of Silver.

The percentages of the stocks of Gold and Silver at the different periods up to 1858, and at the present rates of production for the periods up to 1900, are as follows :

Years.	Silver.	Gold.
In 1492.....	70 per cent.	80 per cent.
1803.....	65 do.	85 do.
1848.....	41 do.	59 do.
1858.....	47 do.	53 do.
1861.....	50 do.	50 do.
1892.....	80 do.	70 do.
1900.....	24 do.	76 do.

We see from this exhibit that in 1861 the stocks of the two metals will be equal, and that in 1892 they will be in a *reverse* order from 1492. Let us look at the effect of these changes in the past, and consider the probable further effect. The first and greatest effect, as we mentioned before, must be either by abandoning one metal as a standard, or by altering the relation of value. Both of these have in a measure actually taken place. Silver has, except in a few cases, been practically given up in the Western world, and Gold has never had currency in the Eastern. The Orient and the Occident have each chosen their standard. Again, the value of Silver is steadily appreciating; while that of Gold, compared either with silver, or by prices, is steadily depreciating.

It is estimated that the annual production of Silver is from sixty to sixty-five millions of dollars. The loss by wear and use in the arts cannot be less than twenty-five millions of dollars annually. We have, therefore, forty millions of dollars as the outside limit of the accession to the stock of Silver Money. It has, however, been ascertained, that through one channel there was sent from England last year sixty millions of dollars in Silver, to India alone. It is known, too, that large exports of Silver are made from this country and the Pacific Coast to China, and from thence to India. These are no temporary currents, they have been so great and so constant, and with no ebb, that they have earned for India the name of the "cess-pool of silver." The total amount of silver lost to commerce, by this drain, is certainly not less than eighty millions of dollars annually. This is forty millions more than the net production. The absorption of the total stock, if this is continued, is therefore only a question of time. On the other hand, the annual production of Gold is now fully one hundred and seventy-five millions of dollars, and the wear is only one-fourth that of Silver, and the use in the arts certainly not greater. The final substitution of Gold for Silver is therefore an inevitable result. Henceforth Gold must be the money of commerce. The old relation of Gold and Silver, or of sixteen to one, can only be retained by the disuse of Silver as money, and this seems to be the plan adopted. At this time Holland is the only commercial country which refuses to abandon the money of the East; all of the others have practically, from necessity, adopted Gold as the one standard, and should, to ensure justice to all, make the change legal. The relation of money and prices should be as nearly immutable as possible; and we should not forget that to ensure this, the stock of metallic money should increase correspondingly with the increase in commerce, population, etc., of the world. The practicability of this is in a great degree lessened by having two standards, and it may be questioned if it does not make it impossible. Of the two metals, Gold alone can keep pace in its production with the growth of the world, and again to do justice to the two great classes, debtors and creditors, only one standard should be allowed—reducing thereby the fluctuations to a minimum both in extent and frequency. Gold, from these reasons, must hereafter become the standard of the commercial world.

REPORT ON THE CURRENCY.

BY THE NEW YORK BOARD OF CURRENCY.

THE Board held an adjourned meeting, May 16, 1859, at the Mercantile Library Rooms, Clinton Hall, JAMES GALLATIN, Esq., President, in the Chair.

The reading of the minutes of the last meeting was dispensed with.

The report of the special committee (GEORGE OPDYKE, WILSON G. HUNT, JAMES GALLATIN, JOHN EADIE) was then read by HON. GEO. OPDYKE

The committee appointed on the 4th inst. to ascertain the present degree of bank expansion in this city and throughout the Union, and to consider its effects on the currency and commerce of the United States, respectfully submit the following

REPORT:

There are two methods of determining how far the banks are extended. The ordinary process is to ascertain the amount of their investments of all kinds, including specie, and deduct from it their capital and undivided profits. The balance must necessarily show the extent to which they have loaned their credit; and it will also just equal the sum of their circulation and deposits, thus proving that every dollar that a bank loans or otherwise invests beyond its capital and profits, produces an equal amount of circulation and deposits. In view of this fact it is apparent that the same end may be more readily attained by simply taking the actual returns of circulation and deposits, and assuming them to express the excess of bank discounts over bank capital and profits not otherwise invested. Any one who doubts the correctness of this assumption, may satisfy himself by consulting any bank statements that are complete and reliable; as, for example, the quarterly returns of the banks of this State.

The plan of taking the circulation and deposits as a true expression of the extent of bank expansions, is here adopted because it is shorter than the other process, and, at the same time, more accurate. This arises from the incompleteness of most bank statements. They always embrace the amount of circulation and deposits, but they rarely include all classes of investments; and where these are not all given, the method first named would fail to show the full extent of the expansion. With perfect returns there would be no difference whatever in the results obtained by the two methods.

But in connection with this question, it is important to show the effect which bank movements exert on the currency. The following table has been framed with that view. It embraces a period of 26 years, and

presents for each year a comparison of the sum of bank deposits and circulation in the United States, with the population for the same period, showing the portion of money or bank currency to each inhabitant:

	<i>Deposits and Circulation.*</i>	<i>Population.†</i>	<i>Money to each Person.</i>
Jan. 1, 1834,.....	\$170,506,556	14,413,204	\$11 83
do. 1835,.....	186,773,860	14,814,617	12 61
do. 1836,.....	255,405,478	15,230,948	16 77
do. 1837,.....	276,533,075	15,663,597	17 66
do. 1838,.....	200,830,094	16,113,564	12 46
do. 1839,.....	225,411,141	16,581,849	13 59
do. 1840,.....	182,665,429	17,069,463	10 70
do. 1841,.....	172,180,315	17,577,073	9 79
do. 1842,.....	146,142,881	18,105,785	8 07
do. 1843,.....	114,732,236	18,656,596	6 15
do. 1844,.....	159,718,431	19,229,558	8 31
do. 1845,.....	177,629,357	19,825,721	8 96
do. 1846,.....	202,465,497	20,446,137	9 90
do. 1847,.....	197,812,299	21,091,908	9 35
do. 1848,.....	231,733,268	21,764,086	10 65
do. 1849,.....	205,922,038	22,468,723	9 17
do. 1850,.....	240,953,121	23,191,876	10 39
do. 1851,.....	234,122,963	23,935,017	11 37
do. 1852,.....	328,906,080	24,693,158	13 31
do. 1853,.....	348,094,831	25,564,299	13 66
do. 1854,.....	392,877,951	26,249,440	14 97
do. 1855,.....	377,352,565	27,047,581	13 95
do. 1856,.....	408,453,612	27,858,722	14 66
do. 1857,.....	445,130,174	28,682,863	15 52
do. 1858,.....	341,140,393	29,520,004	11 56
do. 1859,.....	452,875,096	30,370,145	14 91

Average for 26 years,.....\$11 95

This table is both instructive and suggestive. It shows at a glance the bank movement from 1834 to the present time; for it must be borne in mind that the figures given under the head of "deposits and circulation" express the precise extent to which the banks made use of their credit, by loans, discounts and other investments in excess of capital, at the different periods named. It will be seen that the movement has been very irregular,—at some periods almost spasmodic. The highest degree of expansion, as compared with population, was reached in 1837. This was followed by a contraction, which reached its lowest limit in 1843. Then ensued another expansion, which, with slight oscillations, continued until arrested by the violent panic of 1857. This again led to a sudden and extreme contraction, but which, in its turn, has been followed by an equally sudden and extreme expansion. The banks, it appears, were almost as much extended on the 1st January last as they were before the panic of 1857. At the present time, it is believed, they are even more extended than they

* The deposits and circulation are copied from the tables of the United States Treasury Department, save those of 1852 and 1853, which, in the absence of official returns, are estimated.

† The population between 1850 and 1860 was obtained geometrically, by extending the curve in conformity with the law which prevailed from 1830 to 1850.

were then. With the exception of the banks of this city, and of a few other localities, the expansion has been progressing since the 1st January last, throughout the United States. The returns received fully establish this fact, but they are as yet too incomplete to show how much progress has been made.

But the most interesting feature of this table is the ratio of currency to population which it presents. Viewed in this aspect, it throws a flood of light on the question, how far our banking system affects the quantity and value of money, or currency, for these terms are here used as synonymous. It is scarcely necessary to repeat the fact, so often asserted and proved by this Board, that deposits and circulation both take the place of money and perform its functions; and that they expel from active circulation all other money, save the small quantity of coin required in making change for fractional parts of a dollar, and for payments to the general government. If, in connection with these facts, it be considered further, that the value or purchasing power of money is always proportional to the amount in circulation, it will be readily perceived that the banking system exercises a most disturbing influence on the measure of value and on prices. In 1837, when the banks reached their highest degree of expansion, the ratio of money to population was 17.66; in 1843 it was reduced to 6.15, which is little more than one-third the ratio of 1837. In 1857 it had again increased to 15.52, and on the 1st January last, after having sunk the year previous to 11.56, it stood at 14.91, which is 25 per cent. above the average for the twenty-six years embraced in the table. These extreme fluctuations in the quantity and value of money are the bane of commerce. They sweep over its horizon with the suddenness and violence of a tornado, prostrating in hopeless bankruptcy all who happen at the moment to be largely indebted.

This feature of the table is also valuable, as indicating the normal condition or natural volume of the currency. It appears that the mean quantity of currency furnished by the banks of the United States for the twenty-six years embraced in the table, was \$11 95 to 1 of population. To this must be added the amount of coin in actual circulation, which is generally estimated to average about \$3 to each inhabitant, making, together, \$14 95, or say \$15, to 1 of population. This, therefore, must be regarded as the quantity of money or currency that the commerce of this country requires; for money is an instrument of commerce. Its office

to measure the value of other things, and transfer their ownership. Commerce requires a specific quantity of money for this purpose. It requires an amount that will make the price of commodities correspond with their value. When, from an excess of money, the price of commodities rises above their value, more commodities are attracted from abroad, and the excess of money is sent away to pay for them. When a deficiency of money reduces the price below the value, then *money* is attracted by the cheapness of products. Thus every disturbance of the natural volume of currency gives action to principles of trade which, sooner or later, bring it back to its point of equilibrium. This point, it is believed, has not hitherto been ascertained; but the above table shows it to be, for this country at least, about \$15 of currency to 1 of population. It is true this ratio is likely to be changed by a diminution in the value of gold, which forms the basis of our currency. It is not unlikely that it

has been already somewhat disturbed; for competent authorities estimate that the large products of gold in California and Australia have already diminished the market value of that metal from 5 to 10 per cent. If we estimate its diminution in value, up to this time, at $6\frac{2}{3}$ per cent., it will give, as the present natural volume of our currency, \$16 to 1 of population, instead of \$15 to 1, as heretofore.

It is supposed by many that the large substitution of bank notes and inscriptions of credit for metallic money in this country has greatly increased the average volume of our currency. This opinion is believed to be erroneous to a certain extent. The engrafting of paper money on a metallic base expands the currency for a season, and sometimes enormously, as the table proves; but so long as it is redeemable in coin, it must meet the competition of metallic currency in other nations with which we trade, as otherwise it would lose the whole of its metallic base; and this can only be done by periodical reactions, which contract the currency as much below its mean volume as it had, in the first instance, been carried above it. It will be seen, by consulting the table, that, for the twenty-six years embraced in it, the currency was at or below its mean thirteen years, and at or above it for the same period.

But, it may be asked, why compare currency with population with the view of ascertaining its natural volume or normal condition? Why not compare it with commerce, whose instrument it is? The answer is obvious. Commerce, in its largest sense—in the sense in which money is its instrument—includes every purchase and sale of all kinds of property. Taken in this sense, we have no statistics of commerce sufficiently comprehensive to serve the purpose of a comparison. Any attempt of this kind would be barren of useful results. But the results obtained by the comparison instituted in the foregoing table are believed to be perfectly reliable. Commerce and population maintain uniform relations to each other; the growth of the one keeps pace with the progress of the other. This is especially true of a country like the United States, where cheap and fertile land makes agriculture the leading interest, and where there is perfect exemption from every foreign influence calculated to change the habits and employments of the people. Our commerce, it is true, is alternately stimulated and depressed by bank expansions and contractions, but, if measured at its mean, its progress is believed to keep even pace with the march of population; and, as commerce and money must necessarily maintain a uniform ratio, it follows that population and money must do the same, provided we take the average volume of money for a long period like that embraced in the table.

It must not be inferred, from what precedes, that it is supposed that money and population bear the same fixed ratio, regardless of the wealth and occupation of the people. The ratio is believed to hold good in the United States at large, because the occupation and condition of the people, as a whole, are not subject to material and permanent change. But if we take a commercial city, where the people are nearly all engaged in buying and selling, it will, of course, require a much larger amount of money than an equally populous agricultural district. And if the city be the commercial metropolis and financial centre of the nation, or of the world, it will require a still larger ratio of money to population, because of its

heavy commerce and its being the point of settlement for many contracts entered into elsewhere. For this reason the ratio of money to population is greater in London than in any other part of the commercial world; and for a similar reason it is much greater in New-York than in the United States at large, and greater than in any other city of the Union.

It was the intention of the committee to present, in this place, a comparative table of currency and population for the city of New-York, from 1834 to the present time, similar to that given for the United States. But it has been found utterly impossible, during the short time allowed them, to gather together the requisite statistics. The truth is, the returns of the banks of this city, prior to 1854, are very incomplete; but it is hoped they may be obtained for the use of this Board at some future period. At present, the committee are only able to present a table of this character for the banks of this city, embracing a period of six years, from 1854 to 1859, inclusive.

NEW-YORK CITY BANKS.

<i>Year—1st Jan.</i>	<i>Circulation and Deposits.</i>	<i>Population of city and suburbs.*</i>	<i>Money to each inhabitant.</i>
1854,.....	\$69,911,288	765,777	\$91 30
1855,.....	72,032,140	796,888	90 40
1856,.....	91,438,549	837,888	109 10
1857,.....	104,448,329	878,888	118 80
1858,.....	85,125,627	919,888	92 50
1859,.....	119,144,832	965,888	123 30
1860,.....	.....	1,016,868	.....

By referring to the tables here presented, and comparing the bank movement in this city with that in the country at large, it will be seen that the present expansion, like all others that have occurred since the era of the United States Bank, originated here. It could not, in fact, have originated elsewhere; for the position of the banks here, as the centre of the commerce and finances of the Union, gives them a supremacy which, without any effort of their own, effectually controls the movement of all other banks in this country. The banks of this city began to enlarge their discounts in December, 1857, just after their prostration by the panic of that year. They continued to move in this direction with rapid strides, until, on the 1st January, 1859, they were found to be more extended than they were at any time preceding the reaction of 1857, or at any other period, having inflated the currency of this city until it reached the rate of \$123 30 to each inhabitant. The banks elsewhere soon found the usual restraints removed, by a favorable condition of the exchanges on New-York, and promptly followed the example of the banks here; and up to 1st January last had, as already stated, enlarged the currency of the United States to a point 25 per cent. above its mean. Since that period the banks of this city have remained nearly stationary, having increased their discounts but about \$2,000,000; while the banks elsewhere, it is believed from the im-

* The increase of population for the decade is assumed at 58 per cent. Between 1840 and 1850 the increase was 81 per cent., and from 1830 to 1840 it was over 66 per cent.

perfect returns received, have continued to expand at a more rapid rate. This impression is confirmed by the present condition of the domestic exchanges, which now rule in favor of New-York from all sections of the Union, whence a part of the payments to this city are now made in coin.

The supply of coin from this source serves, for the moment, to meet the European demand incident to the present adverse condition of the foreign exchanges, without sensibly diminishing the specie reserve of the city banks. This source of supply, however, must soon be exhausted. The current has been turned in this direction, not by the contraction of the banks here, but by the expansion of those of the interior; and the moment the latter find their specie reserves falling below the limits of safety, they will promptly contract and thus arrest the further drain upon their vaults. For it must be borne in mind that the expansion of the local currency of any one State of the Union exerts, on the domestic exchanges, an effect corresponding with that which takes place in the foreign exchanges when the currency of all the States is in an abnormal condition. The increased volume of money, by enhancing prices and by embarrassing productive industry, and by creating an undue demand for commodities produced elsewhere, leads to an adverse current in the exchanges which can only be arrested by payments in coin, or by bankruptcy. This movement makes itself felt, first in an increased activity and demand for money; next in the extensive conversion of bank credit into money or currency, to meet this demand; and, finally, the people of the state or nation, experiencing a great increase in the circulation of money, with a corresponding rise in prices, fancy to themselves that their wealth is increasing in the same ratio; when, in fact, the real foundations of prices and of the prosperity of trade, the precious metals, are being displaced by a factitious medium of exchange which no other State or nation will accept.

These phenomena are common alike to the United States in its commercial intercourse with other nations, and to the separate States in their trade with each other. Their features are plainly stamped, at the present moment, on our foreign commerce. Our currency and scale of prices are above those of the European nations with which we trade. We are, consequently, selling cheap and buying dear; we are selling little and buying much, and making good the differences in coin. Since the 1st April we have shipped specie to the amount of \$10,354,855, while our receipts from California have been less than half that sum. This condition of things will continue until the banks of this city contract the currency and lower the scale of prices here by curtailing their discounts. Prudence would seem to demand this course at the present time. The currency of this city is more expanded than it has ever been before, and that of the country at large as much so as it has been at any time since 1837. There has thus been engendered an adverse balance in our foreign commerce, which is still augmenting, and taking more and more of coin, in each advancing month, to liquidate it. The war in Europe is liable to still further increase these shipments of specie, by the withdrawal of foreign capital for investment in the new government loans that the war will give rise to. Already the belligerents and others are in the market for over \$250,000,000, and the loans will be negotiated, however great the sacrifice, for they cannot do without the sinews of war. So many of these loans pressing on the

market at once, with no gleam of light breaking through the war cloud, they will doubtless sell at prices temptingly low, yielding to the holders a high rate of interest. This, as well as the consequent scarcity of capital for other investments, will doubtless cause the general rates of interest to rule high throughout Europe during the continuance of the war. But for our absurd usury laws we might meet this European competition for capital by a corresponding advance in the rate of interest here. But so long as they continue to encumber our statute books, and restrain our commercial and financial freedom, we must rely for financial safety on the prudence and foresight of those who control the banks of this city.

Before closing this report, it may not be amiss to advert briefly to the fact that the banks of this city hold a large amount of treasury notes and government stocks, and to the opinion so often expressed in the public prints, that these securities are as available and confer on the banks holding them about as much strength as an equal amount of specie. These securities are doubtless good, and can be converted into money at any moment. But they are not specie, nor can they be exchanged for it without lessening to the same extent the specie reserve of some other bank or of government. In buying them, and in making loans on them as collaterals, the banks enlarged the currency to the full extent of the purchases and loans, the same as if they had discounted an equal amount of commercial paper. So, in disposing of them, they will contract the currency in the same degree, just as if they were to curtail the discount line to the same extent. In case of a sudden reaction in the market, these government securities, like call loans, would give temporary strength to the individual banks that hold them. But they would weaken the banks as a class, because their conversion into money would make the contraction of the currency so sudden and so severe that it would be likely to produce a panic.

The practice of paying interest on deposits also deserves a passing notice. This custom still obtains to some extent among the banks of this city, and to a still greater extent with those of London. It exerts a most unfavorable influence on the currency. It induces capitalists to hold large sums in ready money, which, being on deposit at bank earning interest, and payable on demand, are held in reserve to be employed when prices fall. It is also one of the causes of the banks out of New-York keeping large deposits with the city banks, and dispensing with that reserve of coin in their own vaults which is indispensable to the security of the currency throughout the Union. But as the system depends on the loaning out the largest possible amount of the deposits, it follows that the banks practising it are induced to extend their discount lines beyond what experience has demonstrated to be proper or safe for institutions whose duty it is to keep the currency in a sound condition. Such deposits must be loaned out, for as interest is paid for them, they must, at all hazards, be made to produce interest. They are converted rapidly into currency, each loan forming the basis of a new deposit, until at length the revolving circle of inflation is arrested by adverse exchanges, the export of specie, revulsion or bankruptcy.

We see the effect of the system in New-York, in a kindred process based on the credits of the individual bankers whose deposits, accumula-

ting in bank for a few days or weeks, become the basis of "call loans." These deposits being of large volume, and liable to sudden withdrawal, produce spasmodic expansions and contraction, tending to frustrate the calculations of every man interested in business, or who is trying to promote the welfare of the city, the State and the Union by giving increased stability to the currency. Indeed, the paying of interest on deposits by banks of discount and deposit, and the practice of making call loans, are powerful auxiliaries in debasing the currency. They are identical in their influence on the volume of money, enlarging it more rapidly than the mints of the world could coin the precious metals, or than an army of miners could collect them, and contracting it as violently and suddenly. Both are within the control of the banks themselves, and have been censured by the ablest and most experienced bankers. Efforts for the correction of these abuses commend themselves to every bank officer who desires to promote the safety of the banking system and the welfare of his country.

GEORGE OPDYKE,
WILSON G. HUNT,
JAMES GALLATIN,
JOHN EADIE.

New-York, May 16, 1859.

U. S. Assay.—The commission for testing the accuracy of the coinage of the United States convened yesterday, at the Mint, in this city, being composed of the following named gentlemen: Hon. JOHN CADWALADER, Judge of the United States Court for the Eastern District of Pennsylvania; JAMES C. VANDYKE, Esq., United States Attorney for the same district, and Colonel J. B. BAKER, Collector of the Port of Philadelphia, *ex-officio* Commissioners; Professor A. CASWELL, of Providence, R. I.; Brevet Major H. L. KENDRICK, U. S. A., Professor of Chemistry at West Point Military Academy; ROBERT EWING, Esq.; Hon. FREDERICK FRAILEY, and JOHN O. JAMES, Esq., of Philadelphia, Commissioners specially designated by the President.—*Philadelphia Ledger, February 16.*

High Value of Coins.—The following statistics will give some idea of the length to which those fond of numismatics are inclined to go in the gratification of antiquarian tendencies. The sale [by BANGS, MERWIN & Co.] took place at New-York in March, and consisted of the collection of coins, medals and numismatic works of HENRY BOGERT, Esq.

A Nuremberg gold medal of 1698, representing on one side allegorical figures, and on the other a view of the city of Nuremberg, brought \$16; a silver Crimea medal of Queen Victoria, \$3; a medal to Simon Bolivar, of 1825, \$2; a Baltic medal of Queen Victoria, \$4. Of American coins, a gold eagle of 1796 brought \$12 50, and one of 1797, \$12 75; a silver dollar of 1839, \$7 50; one of 1836, \$5 00; a Chalmers shilling of 1788, \$18 00; a Granby cent, extremely rare, \$14 50; a Washington cent of 1791, \$17 00, and another one, \$10 50; a Carolina half penny, \$4 25; a silver coin of 1796, \$8 00. The gem of the collection was, however, the Washington half dollar of 1792, which was actually sold for \$57 00. A copy of the same brought \$6 00.

CORRESPONDENCE OF THE BANKERS' MAGAZINE.

I. *Promissory Notes—Instalments.* II. *Protest for Non-acceptance of Checks.* III. *Protest for Non-payment; when unnecessary.* IV. *Bank Notes vs. Prices.* V. *The Bank of Amsterdam.* VI. *Certified Checks.*

I. PROMISSORY NOTES—INSTALMENTS—NOTICE.

ROCHESTER, N. Y.

To the Editor of the Bankers' Magazine.

DEAR SIR: Having received much valuable information through your *Bankers' Magazine*, it occurred to me that you might possibly enlighten me on the following. I cannot learn that the question has ever been decided by the courts.

Suppose A. makes a note to the order of B. for three thousand dollars, payable three years from date, with interest annually. If the interest is not paid annually, is it necessary to notify B. in order to hold him for the interest? Again, the same principle, I suppose, is involved, if A. makes a note to the order of B. for three thousand dollars, payable one thousand dollars annually. Should B. be notified to render him liable if the payments are not made as specified?

Again, would the payment or interest be entitled to grace?

If you can throw any light on the above, you will much oblige one of your

SUBSCRIBERS.

Remarks.—This is a query that should more properly be submitted to bank counsel. We have never seen a note or notes of the kinds suggested. Notes bearing interest are at all times objectionable, and are apt to lead to disputes. It is better, in all transactions of the kind, to include the interest in the body of the bill. Instead of a note for one thousand dollars, "with interest from date," it should be expressed, for "one thousand and seventy dollars," or including such interest as may be agreed upon.

In either of the cases stated by our correspondent, we should deem it prudent to notify an endorser of any default, otherwise the endorser may properly assume that payment was duly made according to the contract.

II. PROTEST FOR NON-ACCEPTANCE OF CHECKS.

PHILADELPHIA, Pa., Dec. 7, 1858.

To the Editor of the Bankers' Magazine.

DEAR SIR: A number of our butchers are in the habit of giving checks, printed in the usual form, on bankers for cattle. I give a copy:

No.

PHILADELPHIA, Dec. 1, 1858.

JOHN E. FOX, Banker, No. 7 South Third-street: Pay to JOHN JONES, on the 10th inst., or order, two hundred and fifty dollars.
\$250.

WM. WECKERLY.

If this check should be received at the Philadelphia Bank for collection previous to the 10th inst., it would be handed to the notary of the bank for protest for non-acceptance, the cashier's opinion being that there is no difference between this check and an ordinary draft, and that Mr. Fox is a drawee, therefor protestable for non-acceptance.

The only dissimilarity between this and a bank check, is the substitution of the banker's name for the bank's. A bank check dated ahead is certainly not protestable for non-acceptance, as it would be absurd to ask the cashier to accept. Mr. Fox receives money on deposit, which is liable to be checked on, and his name has to be used to designate the place of payment, and it is certainly the intention to have these checks presented only on the day advanced in the body for payment.

The Philadelphia Bank is the only institution, I believe, that has these checks protested for non-acceptance, and my object in writing is to inquire if you know of any decision on the subject, and that you will give me your opinion at convenience, or notice the matter in some manner in the *Bankers' Magazine*.

Very respectfully, &c.,
W. D. B.

Remarks.—The holder of a check on a bank or banker, as described above, is bound to present the same for acceptance, unless marked upon its face "acceptance waived," or there is an agreement between parties to hold without acceptance. The law, we understand, applies as well to bank checks as to ordinary drafts. Post-dated checks are, at best, an illegitimate species of paper, which should not be encouraged by bankers. In the case alluded to by our correspondent, we would certainly protest the check for non-acceptance before maturity.

III. PROTEST FOR NON-PAYMENT—LOCAL LAW.

OFFICE BANK OF ———, May 7, 1859.

Editor Bankers' Magazine:

DEAR SIR: Is protest for non-payment necessary to bind the endorser of a negotiable promissory note? Under the statute of Kentucky it has been held necessary, when the note has been negotiated with a bank.

What say you in this case?

A., who is a resident of Kentucky, executes a note to B., who also resides in Kentucky, payable at one of the Kentucky banks. The note is dated in New-York, but is endorsed by B. in Kentucky, in blank, and subsequently endorsed, in blank, by a New-York merchant, then by a New-York broker to a broker in Kentucky "for collection." The Kentucky broker endorses to the cashier of the bank where payable. Are any of the parties affected or released by non-process? If so, which of them, and why?

This question may have been discussed in some of your former numbers, but our copy of the magazine is incomplete.

CASHIER.

Remarks.—In the case alluded to by our Kentucky correspondent, there appears to be no difference from an ordinary promissory note. According to all the law books, the endorers of a promissory note are entitled to notice, verbal or written, of non-payment.

There may be a local statute in Kentucky, under which no necessity exists for notice of protest in certain cases; but this would not apply to negotiable paper executed or negotiated in New-York for instance. It is a good rule never to release a security; and both law and equity demand that all parties to negotiable paper should be notified of default in payment, otherwise they may be misled.

IV. BANK NOTES VS. PRICES.

—, Pa., 1859:

Editor of the Bankers' Magazine:

In looking over the September number of the *Bankers' Magazine*, I was surprised to see the number of exploded fallacies which the author of the article on "Gold Note Currency" has been able to collect together. I consider McCULLOCH as the shallowest and least reliable of all the writers on the currency. He pays the least regard to *facts* of any writer I know of.

McCULLOCH's remark that "a tendency to panics is one of the peculiarities of the American system" (of banking,) sounds strangely to one who can remember the different panics of England and the United States for the past fifteen years. The "Gold Note Currency" says: "The proposition that prices rise and fall with the volume of the currency, is now generally regarded as a truth."

This is just the *opposite* of the truth, and every practical man knows it is *not* the fact.

Neither is it the fact that paper drives coin out of circulation. The *reverse* is the fact, as a very limited reference to statistics would show.

You will find, by carefully examining the prices of iron, breadstuffs, cotton and sugar for the past 30 or 50 years, that the "volume of the currency" had no more to do with the rises and falls than the changes of the moon. I get out of patience when I see such absurd fallacies, as that prices are, or can be, affected by the volume of bank note circulation, repeated in so respectable a journal as yours.

Will you not, for general information, give a table showing the whole amount of bank note circulation *in the hands of the public* in England, Great Britain, France and the United States, with the amount *per capita* for the inhabitants of each country; also the amount of specie in each country, and the gross amount of currency circulating in each? I want to see whether the currency of Europe is not of greater volume than with us; and hence, according to the hard-money theorists, prices should be higher there than here.

There are several other questions I should like to see discussed in your magazine. One of them this: *Can* more bank notes (convertible at will) be kept in circulation than the business of the country requires?

Yours, &c.

Remarks.—The experience of our Pennsylvania correspondent and our own varies materially. We think it has been demonstrated, in the last thirty years, that an excess of paper money creates a rise of prices, and thus drives the precious metals to countries where labor and prices are cheaper. The fluctuations of the currency are sources of perpetual trouble to business men. The currency should be *fixed* and be uniform. We consider the principle adopted by the Bank of England a sound one, viz. : government security for such an amount of circulation as is required at all times, and specie for all beyond that amount.

We refer our correspondent to the papers contained in this work of late, especially to the "Report on the Currency," which embodies sound views. We think other restraints of a legal character are necessary in this country, beyond those now in force.

It is conceded, we believe, by all brokers and by all bankers, that a safe reserve in coin should be maintained by bankers, not only for their own sakes, but in due regard to the rights of their creditors. The only question, then, is : What proportion of specie to cash liabilities should be maintained? Is it 20 per cent., 25 per cent., 33 per cent.? The future commercial prosperity of the country, its manufactures and trade, and the character of our city and State for financial integrity, depend largely upon sound and conservative management of the banking system. It is of more importance to the stability of the country and its permanent interests to secure consistent and careful management, than, by extra hazards, to attempt to secure extra profits. The extra hazards incurred early in 1857 resulted in large losses to the banks, and in still larger losses and permanent injury to the community. Now is the time, when the memory is fresh as to these enormous losses, shown by the balance sheets of our merchants, to use more caution than has been evinced of late years.

V. THE BANK OF AMSTERDAM.

To the Editor of the Bankers' Magazine :

The ordinary historical account of the failure of the Bank of Amsterdam, which is repeated in your last number from Mr. CHOLWELL's work, is not universally admitted to be correct. Public history and real history often differ.

Many who have inquired into the matter, believe that the treasure was secretly removed on the approach of the French, (and not before,) in order to save it; to protect the depositors, not to injure them. It was the only mode, in the then desperate circumstances, by which the depositors could be protected. The books of the bank were altered to deceive the French into the belief that the transaction was one of old date. The French kept possession of the country for almost a quarter of a century, during which time the secret, of course, had to be well kept; and after that lapse of time few would remain who knew the secret, nor would it even then be made generally known. There is one person, now resident in this country, who had good opportunities for inquiry into this matter in Holland, and such is the account he gives. Mr. CALHOUN, in one of his speeches on the independent treasury, says there is good reason to believe the bank paid every thing. He was not one likely to make an assertion,

so contradicted by public history, unless after careful inquiry. The securities upon which the money is said to have been lent, were just the kind best suited for the ultimate protection of the depositors—the public debt of Friesland, the province, from its position, least liable to invasion, and of Holland, the richest of the seven provinces. If, as some accounts say, the money was lent, in part or in whole, to the Dutch East India Company, here again the ultimate security of the depositors was well cared for, this company having its wealth beyond the reach of the invader. B.

VI. CERTIFIED CHECKS.

To the Editor of the Bankers' Magazine:

— BANK, 1859.

A neighboring bank certified a check in the year 1854; the person holding the check, supposing that the bank had given her a note bearing interest, the drawer of the check is irresponsible. Is the bank holden? Can you tell me where I can find the decisions with regard to certified checks in the *Bankers' Magazine*?

Remarks.—The inquiry you make is rather more of a legal one than financial; but it seems to us, from our limited inquiry, that the bank's certification of a check renders it liable, whether the funds are there or not, because it is assumed (or customary) that the book-keeper charges the check *at once* to the account of the depositor, and thus prevents the application of the funds to any other check. In order to make the cash account even, a "certified check" account must be opened on the ledger.

There may be circumstances, however, in the case you mention, whereby the bank is relieved. For instance, if any agreement was made not to present the check for one or two years, &c. It strikes us that the holder of a check for the time you mention (four or five years) must be guilty of neglect and may forfeit a claim. No business man would hold a check one year, on the ground of its being "on interest," without duly presenting his check or certificate of deposit for semi-annual or annual interest, and upon the first presentation the error would be discovered. You will find cases on certified checks in our work, p. 369, November, 1857, and p. 571, January, 1858. You will find a case *in point*, p. 489, December, 1854, when the Butchers and Drovers' Bank was defendant and was defeated. Another case in February number, 1859, p. 648. (Bank of the Republic *vs.* Baxter.) Another important case was that against the Merchants' Bank, Boston, which we do not find recorded.

By reference to the "alphabetical list" of subjects in each bound volume of our work, you will find the legal articles clearly pointed out.

MISCELLANEOUS.

THE SACKETTS HARBOR BANK AGST. CORD.—BEFORE THE N. Y. COURT OF APPEALS.—The statute in relation to foreign bank notes (ch. 223, of 1853) does not prohibit banks or individual bankers from selling or delivering such notes for any purpose, except for circulation as money, within this State.

It is no offence for a bank or banker, having lawfully taken such notes at par, to sell them to another bank or banker at any rate of discount, providing the transfer be not with a view to their circulation in this State. The prohibition is only upon the bank or banker buying at a greater than the legal discount.

Accordingly, where one bank drew a bill of exchange in favor of another bank, in payment of foreign bank bills, purchased by the latter at more than legal discount, for the purpose of sending them home for redemption, *held*, that this was no defence to an action upon the bill of exchange.

The contract not being void as against the seller, and the security not being of a prohibited character, there is nothing which the seller is required to disaffirm. He may recover upon the instrument itself, and is not obliged to go upon an implied assumpsit for the value of the bills sold.

GUARANTEE.—A suit was recently commenced against Mr. JAMES GUTHRIE, under his guarantee, as follows, of the safety of deposits with a Louisville banker:

"LOUISVILLE, Oct. 1, 1857.

"We, the undersigned, agree to guarantee the depositors of W. E. CULVER in the payment in full of their demands against said CULVER on account of money deposited with him.

"We have entire confidence in his ability to meet all demands.

"JAMES GUTHRIE,	JAS. THOMPSON,
W. B. CALDWELL,	LEVI TYLER,
JOS. SWAGAR,	ISAAC CALDWELL,
W. H. STOKES,	F. S. J. RONALD."

The court ruled for the defendant on the following grounds:

The defendants, in their answer, say they did receive information from CULVER, and that it proved to be false. That at the time they signed the writing sued on, he told them he could only be called on for about \$8,000, when it seems his deposit account amounted to more than \$150,000. Now, although this alleged fraud can constitute no defence to a suit by a depositor, yet it serves to illustrate the propriety of requiring him to give notice of the amount due him, and his acceptance of the proffered guaranty. The offer was general in its character. It was made to various persons unnamed and for sums unknown. If the requisite notices had been given, it would very soon have appeared that CULVER's deposit account far exceeded the sum of \$8,000. And then the defendants could, and probably would, have withdrawn their proposition from all such as had not advised them of their acceptance, nor taken steps to do so. Thus the danger of loss would have been known to all parties, and each might have adopted measures for his security. Justice and common fairness to all concerned lie at the foundation of this reasonable requisition of the law. And this at last is the grand and controlling reason why in all such cases notice of acceptance has been held to be necessary. Without it the guarantor could not know the extent of his liability for the principal debtor, and, therefore, could not know when or how far it might be proper to arrange for indemnity. "It may be most material, not only as to his responsibility, but as to his future rights and proceedings. It may regulate, in a great measure, his course of conduct and his exercise of vigilance in regard to the party in whose favor it is given." *Douglas vs. Reynolds*, 7th Peters, U. S. Rep. 125. In the case of *Oaks vs. Weller*, 13th Verm. 110, the Supreme Court of Vermont, in discussing this subject, used the following very forcible language: "The courts of this State, following the American decisions, have holden that a guarantor shall have notice of the acceptance of his guarantee." "The reasonableness of this principle is quite obvious, and commends itself to the moral sense. When a proposition is made

by a man for a thing to be done for himself, he must know, when done, that it is done *on his proposition*. But when he proposes his *responsibility* for a thing to be done for *another*, he may not know that it is done, or, even if he does, he will not know whether it is done on his proposition or on the sole credit of the third person, or on some other security. The responsibilities and duties of a guarantor imply certain correlative rights and privileges, which, without notice of his condition, he can never exercise. If he is to stand as surety, he must have the right to keep watch on his principal and his circumstances; hold or demand proper security, from time to time, and require of his principal reasonable punctuality, and even, in chancery, to secure indemnity by enforcing payment by the principal. These important rights cannot be available while he remains ignorant of his proposition of guaranty having been accepted."

It was the opinion of Judge STORY that the English authorities, equally with the American, held that notice of acceptance was necessary in cases like this. A patient examination of these authorities has left no doubt upon the mind of this court of the correctness of that opinion. The demurrer must, therefore, be sustained.

COMMERCIAL DECISIONS.—Several important commercial cases have been recently decided, among which are the two following:

In the District Court of the United States for the District of Massachusetts, March term, 1859, in the case of *Brown vs. Overton*, it was decided:

1. A seaman receiving an injury in the performance of his duties, must be cured at the expense of the ship.

2. On a voyage from Calcutta to Boston, and twenty-five days before passing in sight of St. Helena, a seaman fell from aloft and broke both legs. *Held*, that it was the duty of the master to have put into St. Helena for the cure and relief of the seaman.

3. The master was also held responsible for neglect during the passage and after reaching Boston.

The liability of rail-road companies for through tickets came up in the Superior Court of Cincinnati, in the case of *Thornton Check vs. The Little Miami Rail-Road Company*, when it was decided:

1. Where a party contracts for transportation over a route composed of several rail-roads, for which he pays an entire sum and receives a through ticket or receipt, the contract is entire, and not of several distinct liabilities. If no partnership in fact exists between the roads, he may treat the contract as entire or several, so far as the other parties are concerned.

2. By the appointment of a common agent to receive the entire consideration and issue through tickets and checks, which they recognise and assume, the several companies are made aware that the contract is treated by the passengers as entire and not several.

3. If the agent at the starting point fails to disclose his principals, and to contract on their behalf, whether jointly or severally, he, or the company represented by him, may be treated as sole principal; but if the contract be, in fact, entire, and he is, in fact, dealing for others, who receive the benefits of the contract, the other contracting party may look to the real principals, and subject all who are interested in the joint contract.

4. The delivery of a check to a passenger is intended to relieve him of any care or superintendence of his baggage while on its journey, and devolves such care upon the agents of the several roads over which it passes.

KENTUCKY.—The Governor of Kentucky has issued the following notice of redemption of bonds:

"Whereas, by an act approved 1st March, 1844, \$150,000 of the bonds of the State were issued to the holders of the Lexington and Ohio Rail-Road bonds, bearing date 1st January, 1845, and payable upon the presentation and delivery of said bonds in the city of New-York, thirty years from the date thereof, but the State, on the face of said bonds, reserved the power to reimburse the principal sum at her pleasure at any time after the expiration of fifteen years from the date thereof, which period will expire on the 1st day of January, 1860. Notice is hereby given that the money will be deposited in the Bank of America, in the city of New-York,

to pay said bonds on that day, and from and after that day no interest will be paid on said bonds. And whereas \$70,000 of bonds were issued under act of February 28d, 1846, and March 1st, 1847, bearing date from 7th October, 1846, to 15th June, 1848, with a similar privilege reserved on the face of said bonds to pay at the end of fifteen years, notice is also hereby given that said bonds will be paid at the Bank of America, New-York, at the end of fifteen years from the date of each bond, and after that day no interest will be paid thereon."

SUB-TREASURIES.—"The State of Mississippi has collected her revenue in specie since 1836. The States of Texas, California and Arkansas have collected their revenue in specie from their organization as States up to the present time. The receipts into the Treasury of Mississippi from the first of January, 1850, to the 16th of February, 1852, amounted to \$482,818 65. The revenue of Texas for the year ending October 31, 1852, amounted to \$139,222 51, and at that date she had a surplus in specie in her Treasury of \$536,651 20. The receipts of California, as estimated for the year ending June 30, 1853, amounted to the sum of \$434,150 00. On the 1st of October, 1850, Arkansas had in her Treasury \$203,961 08, and received from all sources, from the 30th of September, 1850, to the 30th of September, 1852, \$386,767 03, making a total of \$590,738 11. These are the latest dates I have been able to obtain in regard to the revenues of these States, but I have not a doubt that the amounts annually collected for State purposes have increased considerably since those periods respectively. In these instances there is no connection between these States and the banks. These States have collected their revenues in specie, have kept their revenues in their own treasuries, and the most entire success has attended the collection and disbursement of their funds."

The above is from the speech of Mr. LETCHER, candidate for Governor of Virginia. Mr. L. is very unfortunate in his selection of States as models for others to follow. Not one of the States named has ever maintained a proper sense of State credit. They have collectively done more to damage the financial character of the United States than all the others put together. If Mississippi, Texas, Arkansas and Florida will take example by New-York and tax their citizens, so as to pay acknowledged debts, the credit of the country will be better sustained.

NIAGARA AND DETROIT RIVERS RAILWAY.—The act consolidating all previous acts relative to the Niagara and Detroit Rivers Railway, passed the House of Assembly, in Provincial Parliament. The effect of this act is to settle all disputes as to which is the genuine company. Mr. RANKIN's charter is annulled, and Messrs. MORRIS and McBERT have the full control of the enterprise. A spicy debate occurred on the passage of the bill, and attempts were made to annul the present contract held by Mr. MORRIS for building the road. These efforts were unsuccessful and Mr. MORRIS's contract is virtually legalized. It allows him \$50,000 per mile for building the road, while it is claimed that half that sum would be sufficient. The bill passed 62 to 6.—*Buffalo Commercial.*

HON. RICHARD COBDEN, long known as a leading reformer in England, was in the city yesterday afternoon and spent a few hours. He came in a special train, as the guest of HENRY C. LORD, Esq., President of the Indianapolis and Cincinnati Rail-Road. He proceeded at five o'clock for Lafayette, in a special train provided for the purpose, in company with a number of gentlemen interested in the construction of the contemplated rail-road from Lafayette to La Salle, Illinois. Mr. COBDEN represents a large number of the English holders of our Western railway securities, and his present visit to Indianapolis and Lafayette has a reference to the general business of the railways leading from Cincinnati through this city to the Northwest.—*Indianapolis Journal.*

AMERICAN SECURITIES IN LONDON.—It would be fortunate if no further remittances of American securities were made to England or the Continent for sale. Then this market would not be affected by the fluctuations constantly occurring in Europe. The London *Times* makes loud complaints of heavy losses to British capitalists by investments in State loans. They remark:

"The confiscation practised by the State of Pennsylvania has recently been described. To prevent any portion of the European public from being deluded by the constant flourishes of other defaulting governments of the American Union, the

following short *résumé* of their respective positions will be sufficient. The number of States to be included in the list is five—Mississippi, Michigan, Florida, Arkansas and Indiana—but there is considerable difference in their degrees of turpitude. The original debt of Mississippi was £1,400,000. Of this she repudiated £1,000,000 in 1842, and has never paid any interest on the remainder. The £1,000,000 was issued to establish the Union Bank of Mississippi, and the £400,000 to establish the Planters' Bank. The holders of this latter seem to think there is some prospect of an arrangement being at length made to pay principal and interest. The bonds issued by Michigan amounted to £1,000,000. They were sold in the London market—none, it is believed, at less than 88 per cent.—by Mr. SAMUEL JAUDON, the agent of the Bank of the United States, and upon the failure of that institution, before it had paid to the State more than 30 per cent. of the amount due for the bonds, the State resolved to repudiate the balance. This took place in 1841, and was again deliberately confirmed by the Senate and House of Representatives in 1845. The bondholders were therefore required to convert their claims at the rate of £300 for £1,000; but, of course, submitted to the spoliation only under protest. Florida has repudiated about £40,000, raised for the establishment of a Union Bank, which speedily became insolvent. Arkansas owes £600,000, on which, like Florida, she has paid no interest for 20 years. She has contented herself, however, with this quiescence, and has avoided placing an indelible stamp on her legislative history by not adopting any formal resolution in favor of a fraudulent course. The debt of Indiana was about £2,500,000, and was compromised in 1846, the State, for one-half the amount, conveying to the creditors the Wabash and Erie Canal, 400 miles long. At the same time it was promised that the work should be protected, but, instead of doing so, the Legislature have chartered a variety of competing railways, which have rendered it valueless. A memorial has accordingly been presented, urging that the State should receive back the canal and make a compensation to the holders of the bonds. The reply has not yet been received, but there is said to be a hope that it will not be altogether unsatisfactory.—*London Times*, March 11th, 1859.

CONNECTICUT RAIL-ROADS.—The annual report of the General Rail-Road Commissioners has been presented to the Assembly.

The Commissioners do not think there will be any increase of railways in that State. They have already reached their maximum point, and are sufficient in number and diversified enough in location to meet the wants of the people. The great question will be, how they can be kept in the best business condition, and how they can be managed with the greatest economy. The Commissioners speak favorably of the mode in which the railways have been managed the past year and their freedom from accidents.

The chartered capital of the roads is \$23,675,000, of which there has been paid in \$18,727,000. Total amount of floating and funded debt, \$11,259,000, making construction account amount to \$29,993,000. There have been constructed in the State 602 miles of road. The aggregate length of double track is 122 miles. Total expenditure for working the roads, \$20,146,694. For the past year, \$742,042. Total income has been \$3,117,982; net earnings, \$1,045,404. Passenger and other trains have been run 1,978,662 miles, carrying 2,573,516 passengers.

The report then goes into a minute detail of the condition of all the roads, of their bridges and viaducts and of their wants and demands. Those interested in the several roads will find this a useful part of the report.

The topic of *accidents* next occupies the attention of the Commissioners. They declare that these misfortunes, in a large majority of cases, arise from the carelessness and inattention of the sufferers. There has been an increase of casualties the past year, but only one death of a passenger out of 2,573,516 transported. There have been twenty persons killed on the railways, and fourteen others severely injured during the year ending March 31st, 1859.

FORGERIES.—One of the most extensive forgeries which has been perpetrated in our city in a long time was brought to light on Tuesday, although the facts in regard to it were kept quiet until yesterday. The particulars are about as follows: On Saturday a young man named JAMES N. DUBOIS, a young clerk employed in the office of the Hamilton and Dayton Rail-Road Company, presented a check for \$7,000.

at the counter of the bank and received the money, with which he departed. The check was filled up, "Pay to April Pay Roll," and was signed by S. S. L'HOMMEDIU, President, and F. H. SHORT, Secretary; and notwithstanding the check was presented some ten days before the usual time of drawing money for the monthly payments of the employees, the fact did not excite the suspicions of the bank clerk.

The manner in which the check was procured (the signature of the President being *genuine*) was as follows: Mr. L'HOMMEDIU was in the habit of signing a few checks in blank in the usual book, for use by the Secretary as they should be wanted; on Saturday he left two pages, or six checks, thus signed, and the book was deposited in the usual place. The company had recently had printed a new book of checks, which had not been used, and from the back of this book DEBOS had cut three pages, or nine checks, upon which he had doubtless been experimenting upon the signatures. When he had succeeded in copying the signature of the President with satisfactory accuracy, and opportunity offered, as it did on Saturday, after the Secretary had left the office, he cut from the *second* page of blank checks the bottom one, and carefully pasted in its place the check which he had already prepared himself, and to which he had attached the name of Mr. L'HOMMEDIU. This process gave him the *genuine* signature of the President. As every check was printed across the face, "Not good, unless countersigned by the Secretary," it was necessary to forge the signature of Mr. F. H. SHORT, which was done, though not in a manner to escape detection had it been subjected to scrutiny.—*Cincinnati Gazette*, May 5.

BANK ITEMS.

NEW-YORK.—The tendency of business from the eastern towards the western portions of the city is fully indicated by the changes among the banks. The Chatham Bank has recently removed to Broadway, corner of John-street; the Atlantic Bank has removed to 192 Broadway, corner of Liberty-street. We learn that the Directors of the Butchers and Drovers' Bank are discussing the expediency of removing their bank into Broadway, near Broome and Grand streets. Bankers are moving up town as well as merchants. The Importers and Traders' Bank are about building a new banking-house on the corner of Murray-street and Broadway, on the site of Messrs. BALL & BLACK's premises. Messrs. BALL & BLACK are building a splendid store on the corner of Prince-street and Broadway. The Tradesmen's Bank, we learn, also are seeking a location in Broadway, between Canal and Chamber streets.

Weekly Statements.—The bank statements now assume every week fresh importance. The future commercial prosperity of the country, its manufactures and trade, and the character of our city and State for financial integrity, depend largely upon sound and conservative management of the banking system. It is of more importance to the stability of the country and to its permanent interests, to secure consistent and careful management, than, by extra hazards, to attempt to secure extra profits. The extra hazards incurred early in 1857 resulted in large losses to the banks, and in still larger losses and permanent injury to the community. Now is the time, when the memory is fresh as to these enormous losses, shown by the balance-sheets of our merchants, to use more caution than has been evinced of late years. A significant paragraph we copy from the *Detroit Tribune*:

"Western money—meaning Illinois and Wisconsin—has a downward tendency. Our forwarders advertise that they will no longer receive it in payment of produce or freight. They say: 'It now costs about three per cent. to get Western bills redeemed, and as we must pay the lines east of us in par funds, our patrons will see at once that we cannot afford to carry goods from New-York to Detroit for 15 cents per 100 lbs., and then take pay at 97 cents on the dollar.'"

New-York Legislature.—The New-York State Legislature did nothing to interfere with the present free banking laws, except to give the Department authority to facilitate the closing up of banks of circulation in certain cases, and also to prescribe the manner of reducing capitals. The proposition to make five per cent. State and Federal stocks receivable at par (instead of 90 @ 92 per cent.) for circulation, and to change the present system of making up and advertising the weekly averages by the city banks, fell through. A separate insurance department is established, to go into operation January 1, 1860.

Amsterdam.—At a meeting of the Board of Directors of the Farmers' Bank of Amsterdam, N. Y., held at their banking-house on the 7th ult., MARQUIS BARNES was chosen Vice-President, and DAVID B. CASSIDY appointed Cashier; appointments to take effect on the 1st of May.

MASSACHUSETTS.—The Revere Bank commenced business at Boston, May 2d, 1859, under the general banking law. The nominal capital is \$1,000,000, of which \$600,000 has been paid in. President, Hon. SAMUEL H. WALLLEY; Cashier, J. W. LEFAYOUE, Esq.

Revere Bank.—This newly organized bank has secured rooms in the handsome granite building corner of Franklin and Devonshire streets.

Boston.—The Safety Fund Bank commenced business at Boston, February 8, 1859, under the general banking law. Capital authorized, \$1,000,000, of which \$600,000 has been paid in. President, A. T. LOWE, Esq.; Cashier, C. R. RANSOM, Esq.

CONNECTICUT.—The New-Haven County Bank will apply to the next Legislature for permission to reduce its capital stock, and to be exempted from the liability to receive subscriptions from ecclesiastical and charitable societies. The Colchester Bank case has been settled by the defaulting cashier's (JONES) payment of \$25,000 to the Receivers of the Bank, and his dismissal.

NEW-JERSEY.—Quarterly statements of the several banks of the State of New-Jersey for April, 1859, compared with that of January, 1859, are as follows:

LIABILITIES.			
	April, 1859.	Jan., 1859.	Increase.
Capital,.....	\$7,668,801 00	\$7,359,132 00	\$ 304,179 00
Circulation,.....	6,234,696 00	4,054,770 00	2,179,926 00
Deposits,.....	6,336,350 90	4,239,285 72	2,097,115 18
Dividend unpaid, ..	85,809 88	88,032 60	7,777 28
Due to banks,.....	715,405 96	770,935 81	.....
Other debts,.....	13,252 05	48,850 17	.....
Surplus,.....	1,338,831 22	1,332,165 08	6,666 14
RESOURCES.			
Discounts,.....	15,734,655 34	12,449,460 75	3,285,194 59
Specie,.....	1,028,063 32	952,231 50	75,831 82
Due by banks,....	2,853,655 96	2,223,935 95	629,720 01
Notes, &c.,.....	903,532 10	578,006 23	325,525 87
Real estate,.....	431,654 74	421,793 38	9,861 41
Stocks,.....	900,233 08	785,523 24	114,709 84
Other assets,.....	363,465 32	391,194 88	.....

PENNSYLVANIA.—We learn that the Supreme Court of this State has explained its recent decision that the assignees of the Bank of Pennsylvania are to receive the notes of that institution in payment of debts due to it, and have thrown the doors still more widely open for the benefit of the sufferers by its failure.

The assignees are now instructed that they shall not only receive the notes of the bank for its claims, but also that the checks of depositors and the certificates of deposit are also to be received in the same manner, as a valid tender for indebtedness to the bank. Hitherto the market value of certificates of deposit has been relatively much lower than the notes of the bank, the hope having been strong, from the first, that the notes would have to be received in payment of

debts due the bank, while it was thought that the depositors would have to wait and take their chance for a dividend. This new ruling of the Supreme Court brings both classes of debts upon a level in this respect, and raises the market value of depositors' claims considerably.—*Philadelphia Press*, April 21.

Lancaster.—The assignee of the Lancaster Bank, Pennsylvania, which failed some two or three years ago with an outstanding circulation of over \$600,000, reports that the notes will be utterly worthless so far as the assets of the defunct bank are concerned, which will hardly realize enough cash to pay expenses. The only chance for billholders is to enforce the individual liability against directors and stockholders, who, he says, are fully able and responsible to redeem dollar for dollar. Some of the billholders have determined to prosecute accordingly.

Dividends.—Most of the city banks declared their semi-annual dividends early in May. The highest was that of the Southwark Bank, ten per cent.; the Philadelphia, Mechanics', Northern Liberties, Kensington, Western and Bank of Commerce, declared dividends of five per cent. each; the Farmers and Mechanics', Penn. Township, Manufacturers and Mechanics' and Tradesmen's, four per cent. each; the Commercial and Girard, three and a half per cent. each; and the Consolidation, City and Commonwealth, three per cent. each.

The total amount of money distributed by the city bank dividends is \$443,836, sufficient to set up a new bank larger than the Corn Exchange, Union and Tradesmen's banks put together. The biggest item is the dividend of the Philadelphia bank, \$90,000, but being on a capital of \$1,800,000, it is only five per cent., while the dividend of the Southwark Bank, \$25,000, being on a capital of \$250,000, is ten per cent. The Southwark was again refused an increase of capital at the last session of the Legislature, though, as will be seen, it is one of the best banks in the city, and were the legal sanctions granted, might easily obtain subscriptions to any desired amount of new capital. The smallest amount divided by any of our banks is by the Commonwealth, only \$4,950 90, on a capital of \$165,030, while the Tradesmen's divides \$6,000 on a capital of \$150,000. The largest bank in the city, the Farmers and Mechanics', divides \$80,000, being \$10,000 less than the dividend of the Philadelphia, which has \$200,000 less capital.—*Philadelphia North American*.

Pennsylvania Bankers.—Another heavy loss to billholders will occur with those who have notes of the Lancaster Bank.

In order to arrive at the proper owners of shares for taxation, the last Massachusetts Legislature passed a law, which forbids, under a penalty of one hundred dollars, the transfer of any stock on which returns of shares are required to be made to assessors, until the purchaser shall have informed the corporation of his actual place of residence, and upon the issuing of such certificate the corporation shall register the name and residence of the purchaser. Several rail-road corporations have given notice that they shall put the act in force after the 5th of May.

State Currency.—The Philadelphia banks have been receiving at par the bills of the following banks, and paying the Farmers and Mechanics' Bank $\frac{1}{2}$ per cent. discount on them. The banks have become restive under this system, and refuse to take the bills from their customers. In consequence of these irregularities the Metropolitan Bank will no longer take them on a par with Philadelphia city banks:

Anthracite Bank, Bank of Gettysburg, Bank of Middleton, Farmers' Bank, Pottsville; Honesdale Bank, Lewisburg Bank, West Branch Bank, Williamsport; York County Bank, Bank of Chambersburg, Jersey Shore Bank, Lebanon Valley Bank, Bank of Northumberland, Union Bank, Reading; York Bank.

Free Banking.—The subject of free banking was very urgently pressed upon the Legislature at its recent session, and several bills, differing in details, but based mainly upon the present law of New-York, were started in both houses; but for want of harmony among the movers, the propositions all fell through. There are no important laws affecting banks since the year 1850.

New Banks.—The Bank of Phoenixville went into operation on the 5th May, and its notes are already finding their way into circulation. They are handsomely engraved. The fives have the portrait of STEPHEN A. DOUGLAS; tens, the portrait

of HENRY CLAY; twenties, the portrait of WILLIAM PENN; and fifties, the portrait of President BUCHANAN. Upwards of fifty thousand dollars of the capital stock has been subscribed, one-half of which has been paid in.

MARYLAND.—At the recent annual election of officers of the Hagerstown Bank, Mr. BEATTY, who had held the office of cashier for fifty-three years, declined a re-election. A few days afterwards he died, at the advanced age of eighty-four years.

NORTH CAROLINA.—The Farmers' Bank of North Carolina has received a new charter, and the principal office has been removed to Greensborough, N. C. The officers of the parent bank are, C. P. MENDENHALL, President; W. A. CALDWELL, Cashier. Branch at Elizabeth City, L. J. JOHNSON, President; R. F. OVERMAN, Cashier. The bank has made ample arrangements for the redemption of its bills under the old charter, and we place its credit on a par with other North Carolina banks.

FLORIDA.—The State Bank of Florida commenced business at Tallahassee, Leon County, January 22, 1859. The capital authorized is \$500,000, of which \$130,000 has been paid in. President, WILLIAM BAILEY, Esq.; Cashier, WILLIAM R. PETTES, Esq. The free bank law is substantially the same as that of New-York, amended so as to make its stockholders personally liable for debts of the bank.

ILLINOIS.—At a meeting of the bankers of Milwaukee, it was unanimously resolved that they will receive Illinois currency at not less than half of one per cent. discount, on and after the 1st day of May, 1859. We also learn that the bankers of this city and Madison have taken the initiatory steps towards the establishment of a central redemption system in this State, to which we alluded some weeks ago. The plan, as we understand it, is to have the banks of issue throughout the interior of the State make arrangements for the redemption of their notes, on presentation to their correspondents in Milwaukee or Madison, in exchange on New-York, at a premium, if redeemed in Madison, of $\frac{1}{2}$ per cent. less, or if in Milwaukee, at $\frac{1}{2}$ less than the current selling rates in Milwaukee at the date of such redemption, the banks of this city and Madison agreeing to avoid assorting the notes of those banks in the State complying with this proposition. It is believed that such an arrangement would operate beneficially towards most of the banks in this State, particularly at this time, by checking the increasing demand for exchange or coin, on much less favorable terms than this proposition contemplates. It would certainly elevate the character of our currency abroad, and we think result favorably to the banking and commercial interests of our city and State.—*Milwaukee Sentinel*.

Quincy.—At a meeting of the stockholders of the Bank of Quincy, held May 2d, STEPHEN BOON was elected President, and JOHN MCGINNIS, Jr., appointed Cashier of said bank, to take effect from that date.

INDIANA.—The Board of Directors of the State Bank of Indiana, by an almost unanimous vote, have determined to throw out the notes of Illinois and Wisconsin banks. The reasons assigned are that many of these banks are located at inaccessible points, and the cost of procuring redemptions or exchanges is greater than the holders of the currency are willing to submit to. This currency cannot be exchanged in Chicago for Indiana or Eastern currency short of $1\frac{1}{2}$ @ $1\frac{1}{2}$ cents, while Eastern exchange is purchased there with the notes of the Bank of the State or those of the Indiana free banks for $\frac{1}{2}$ @ $\frac{1}{2}$ premium. The discount of one per cent., now placed on this currency, does not cover the cost of converting it into available funds. This step will have the immediate effect to lessen the circulation of the Illinois and Wisconsin banks out of those States.

KENTUCKY.—JAMES MARSHALL, Esq., was, on the 2d of May, elected President of the Franklin Savings Institution, Louisville, Ky., as successor to CHARLES GALLAGHER, Esq., who declined a re-election.

MINNESOTA.—The bank department of the Minnesota government has lately decided that the State rail-road bonds of the Cedar Valley Road may be used as the basis of banking, at the valuation of ninety-five cents on a dollar. Our readers

remembering that the same bonds are now being hawked around the Eastern cities, without finding purchasers, at fifty per cent. discount, will agree with us that the banks of Minnesota, without specie or other available assets, rest on a somewhat sandy foundation. Our authority says that arrangements are nearly completed to issue three hundred thousand to five hundred thousand dollars of this "secured" currency within the next sixty days. We are also told that the Trans and Southern Minnesota Rail-Road Companies will issue a mortgage to the State, upon the strength of which another batch of currency is to be put afloat.

Minnesota Currency.—We received the following notice yesterday from the La Crosse County Bank, La Crosse, giving the gratifying intelligence that the notes of several of our State banks are received there on the same footing with the notes of Wisconsin and Illinois banks:

LA CROSSE COUNTY BANK, LA CROSSE, April 25.

The following Minnesota bank notes are received at this bank on same terms as Wisconsin and Illinois banks: Bank of St. Paul, St. Paul; Bank of Rochester, Rochester; Bank of Owatonna, Owatonna; Chicago County Bank, Taylor's Falls.

W. H. LATHROP, President.

We are also advised, from a responsible source, that the bills of all the above named banks are taken by GELPCKE, WISLAW & Co., of Dubuque. We have no doubt that our other banks of issue will soon place themselves on the same footing with those which are mentioned in the above communication.—*St. Paul Pioneer*, 29th April.

Interest.—The Supreme Court of Minnesota has decided that, after the maturity of a promissory note, it continues, until judgment, to bear only the same rate of interest which, on its face, it bore up to the time it became due, and that the agreement of the parties for a higher rate of interest after the maturity, was not a contract for interest within the meaning of the law, but was to be regarded only as a penalty, no more of which could be recovered than the sum of the damages actually sustained.

Rail-Road Bonds.—We learn from St. Paul that an arrangement has been effected between the Governor and the rail-road companies, whereby the State bonds in the possession of the various companies will hereafter be received without discrimination as securities for banking. We may, therefore, look for a co-operative movement among those directly interested to place the currency of our State on a sound basis, and to establish for it such a credit abroad, by providing suitable means of redemption at prominent points, as will secure for it the confidence of the public in other States as well as at home.

The companies have also made provision for the payment of the semi-annual interest on the State bonds issued, payable on the first of June.—*Winona Republican*.

MISSOURI.—The following statement shows the aggregate movement of the seven banks at St. Louis at the dates of the two last quarterly exhibits:

	March 31, 1859.	Dec. 31, 1858.
Capital,.....	\$6,874,565	\$5,885,054
Deposits,.....	3,457,622	3,046,242
Circulation,.....	6,808,360	5,693,130
Bills discounted,.....	4,990,764	5,748,673
Exchange,.....	6,890,934	6,085,528
Specie,.....	3,193,982	3,840,721
State bonds,.....	472,335	417,335
Total,.....	\$32,688,562	\$28,216,683

This statement shows an increase in circulation of 22 per cent., and a decline in specie of 16 per cent. The banks are, however, compelled by law to keep a prescribed amount of specie on hand, besides furnishing collateral security for their circulation.

Supplemental Bill in the Ohio Life and Trust Company Case.—The attorneys for

BELL & GRANT yesterday filed a supplemental bill in the United States Circuit, in which they strike out the names of ROBERT BAYARD, GEO. S. COE, J. B. HOSMER and SAMUEL E. FOOT, as parties defendant.

The bill also sets forth the facts in regard to the transfer, by the assignees, of the assets of the Trust Company to Messrs. KILBREATH and REMELIN, and alleges that, after paying the costs and expenses, the dividend payable to the creditors will be small, and will not probably exceed one-fourth of the amount of the debts. The plaintiffs in this suit, therefore, claim that the trustees should be held personally liable to the creditors for the large loss so sustained by the alleged negligence and mismanagement of said trustees, and ask for process of subpoena against CHAS. STETSON, ABRAHAM M. TAYLOR, JOHN C. WRIGHT, SAMUEL J. BROADWELL, GEORGE CRAWFORD, NATHANIEL WRIGHT, SAMUEL B. KEYS, GEORGE T. STEDMAN, CHARLES G. ENYART, SAMUEL C. PARKHURST, SAMUEL FOSDICK, GEO. LUCKY, CLEMENT DEITRICK and SAMUEL PORRE. The bill was filed, and will come up in the course of the regular proceedings in the Trust Company case.—*Cincinnati Gazette*, April 20.

CANADA.—The relative position of the Canadian banks each month for the past two years, is shown by the following table, which shows the monthly average of all the Canadian banks, except the Bank of British North America and Gore Bank:

Date.	Discounts.	Specie.	Circulation.	Deposits.
1857.				
March,.....	\$33,927,218	\$2,028,715	\$11,338,376	\$8,306,435
April,.....	33,282,219	2,145,249	10,859,571	8,507,187
May,.....	32,400,986	2,114,084	10,236,624	8,795,065
June,.....	32,307,199	2,210,933	10,511,876	9,650,326
July,.....	32,243,981	2,262,167	10,760,167	8,625,921
August,.....	32,930,843	2,272,310	10,777,358	8,621,015
September,.....	33,968,627	2,024,081	11,507,205	8,837,278
October,.....	33,082,530	2,135,270	10,711,813	8,142,254
November,.....	31,273,603	2,553,435	9,866,435	7,455,129
December,.....	30,745,735	2,217,237	9,157,976	8,137,484
1858.				
January,.....	30,768,213	1,982,688	8,450,573	8,358,437
February,.....	30,758,657	2,042,787	8,477,114	7,251,386
March,.....	30,921,803	2,004,000	8,352,080	7,249,846
April,.....	30,713,550	1,929,948	8,348,410	7,793,577
May,.....	30,068,176	2,107,873	8,057,114	7,614,409
June,.....	30,279,684	2,152,236	8,188,288	9,159,337
July,.....	30,300,069	2,075,230	8,438,313	8,616,399
August,.....	30,351,386	2,229,045	8,638,356	7,436,413
September,.....	30,578,385	2,451,875	8,882,725	8,056,070
October,.....	31,365,829	2,469,191	10,571,047	8,880,880
November,.....	31,474,245	2,436,732	10,104,005	9,434,112
December,.....	31,837,132	2,567,069	9,833,706	9,134,362
1859.				
January,.....	33,020,906	2,652,451	9,670,391	10,204,000
February,.....	32,560,861	2,642,553	9,758,491	9,688,285
March,.....	33,178,185	2,617,628	9,202,698	10,450,589

PRIVATE BANKERS.

Pittsburgh.—Messrs. SEMPLE & JONES have established a banking house at Pittsburgh, Pa. We refer our readers to their card, with references, on the cover of this work.

Iowa.—We refer our readers to the card of Messrs. TALLMAN, POWERS & McLEAN, on the cover of the *Bankers' Magazine*. The name of this firm was accidentally omitted in the "List of Private Bankers" contained in the *Bankers' Register* for 1859.

Cincinnati.—The old established firm of GILMORE & BROUGHTON, at Cincinnati,

has been dissolved, and is succeeded by the new firm of GILMORE, DUNLAP & Co. The new members are Messrs. W. J. DUNLAP, T. G. ROBINSON and E. W. MILLER. [See their card.]

KANSAS.—The firm of S. F. JOHNSON, bankers, Leavenworth, Kansas, is dissolved, and a new house formed under the style of T. J. GRAHAM & Co. The partners in the new house are T. J. GRAHAM, S. F. JOHNSON and C. B. BRUCE.

EUROPE.—The failure of the banking-house of ARNSTEIN & ESKELES, Vienna, has caused a great consternation here, and its downfall at this critical moment is considered a national calamity. The debts of the firm are generally estimated at 15,000,000fl., and its assets at about two-thirds of that sum. The National, Credit, Discount and Savings banks, which are creditors to a very large amount, wished to effect a compromise, but I hear to-day that they have found it impossible to put their intention into execution. The bills accepted by the firm which are in circulation may amount to about 7,000,000fl. The reserve fund of the National Bank is 101,377,034fl.; the notes in circulation have the nominal value of 376,559,891fl.—*Vienna Cor. London Times, May 6.*

The mercantile advices from Vienna state that the suspension of ARNSTEIN & ESKELES is likely to prove of a more unfavorable character than had been anticipated. A series of other failures have been announced, both at Vienna and in the provinces, and it is feared that for some time to come the number will be daily augmented. Accounts from the German Bourses state that many of the Italian capitalists and speculators who were active sellers of Austrian securities before the commencement of the war, have since come into the market as buyers. The London Stock Exchange Committee have allowed till Wednesday, May 11, for the final payment of all the balances payable in connection with the recent Consol settlement.

BANK DIVIDENDS IN NEW-YORK.

	Oct., 1857.	April, 1858.	Oct., 1858.	April, 1859.
Bull's Head Bank,.....	—	4	4	4
National Bank,.....	4	8½	8½	8
Shoe and Leather Bank,.....	4	4	4	4
	Nov., 1857.	May, 1858.	Nov., 1858.	May, 1859.
Artisans' Bank,.....	—	3½	3½	3½
American Exchange Bank,.....	8	4	3½	3½
Bank State N. Y.,.....	—	4	4	4
City Bank,.....	—	4	4	4
Fulton Bank,.....	5	5	5	5
Greenwich Bank,.....	6	6	6	6

American Bank Note Company.—At the annual election of this Company, held May 4th, the following gentlemen were elected Trustees for the ensuing year, viz.:

CHARLES TOPPAN,	WILLIAM H. WHITING,
SAMUEL H. CARPENTER,	NEZIAH WRIGHT,
MOSELY J. DANFORTH,	DE WITT C. HAY,
J. DORSEY BALD,	GEORGE W. HATCH,

CHARLES WELSH.

At a subsequent meeting of the Trustees, CHARLES TOPPAN was unanimously elected President, MOSELY J. DANFORTH, Vice-President, and J. DORSEY BALD, Secretary *pro tem*.

New-York Board of Brokers.—The annual election for officers of the Stock Board took place May 9th. W. H. NELSON was elected President, in place of H. G. SYBINS, and Mr. WHELOCK, Vice-President, in place of J. HOWARD WAINWRIGHT, the present incumbents having declined a re-election; Mr. MONROE, second Vice-President; Mr. BROADHEAD, Secretary; Mr. MONROE, Assistant Secretary; Mr. JAMES W. BLECKER, Treasurer, the oldest member of the Board, and Mr. SUIFMAN, Master of the Rolls. A vote of thanks was adopted in relation to each of the retiring officers, and an appropriation of \$250 was made for a testimonial for each. The President holds his office as a position of honor, without salary, and is not required, during the trading operations of the Board, to do any duty, the Vice-President calling the

stocks. During any debate the President presides. This in no wise interferes with the transaction of business by him. He is left free to act as the other members do, during the calling of the stocks. The Vice-President is required to preside during the calling of the stocks at the morning session, for which duty he receives a salary of \$4,000 per annum, and is restricted from operating in stocks, on commission or otherwise. The second Vice-President is required to preside during the calling of the stocks in the afternoon, and is restrained from selling or buying stocks while in the chair. These subordinate officers have held their respective offices for several years. Not often does an "outsider" obtain the privilege of being present at a meeting of a Board of Brokers, and seldom does a journal describe the scenes attending the transaction of their business. From an account by Rev. Mr. Cuyler, of his recent visit to the New-York Board, we make the subjoined extracts:

"The Board of Brokers is worth every pastor's visiting; he would find several of his congregation there; and would be surprised to find how differently a man looks when he is listening to 'sixthly' and 'seventhly,' from what he does while roaring out 'I bid one hundred for the lot, seller sixty days.' The minister might get a few lessons of *earnestness* of manner, too; for of all animated speakers, I know of none who can surpass the Board of Brokers, when 'New-York Central' is under discussion. There is still another reason for a clerical visit to the penetralia of this stock market. The Board-room is a house of worship to many a man for six days of the week—a worship so intense that he finds it exceedingly difficult to draw his heart from it when he enters God's house on the Sabbath. In that room is his altar. Before Mammon's shrine he bows down. And whatever he may be in God's temple, he is pretty certain to render a sincere homage when his heart is paying its devotions to the almighty dollar. Not that we believe that there is any more worldliness in a Brokers' Board than there is in a Merchants' Exchange, or in an Agricultural Convention; but it is a lamentable fact that human hearts worship gold with a more undivided affection and a more intense devotion than they commonly worship their God. Idolatry intrudes everywhere; we need not go far to find pulpits in which the very minister has his idol in the sacred desk; every word he utters is secretly a self-homage.

"They meet in an out-of-the-way hall, back of Exchange Place, in a place as difficult to get into or out of as Aladdin's cave. In the lobby are newsboys and apple-women, and a busy lad who is sending telegrams up through a tube for transmission to Boston, Philadelphia and Baltimore. The moment a sale takes place within, the young Mercury hints the fact, by lightning to stockjobbers hundreds of miles off.

"As we enter the Board-room, we are saluted by a Babel uproar of voices. We find about one hundred and twenty gentlemen assembled (with their hats on like the English Parliament) in a sort of legislative hall. Each man has his desk, at which he sits until some call of a new stock starts him up, and then he runs out towards the centre of the room, shaking his finger violently and vociferating, 'I'll take you up,'—'seventy-five for the lot,'—'that's my bid,'—'seller thirty days.' Imagine a score of excited men all shouting together such short ejaculations as the above. To us it is confusion worse confounded. But the clerk manages to catch all the bids and sales, and after the tempest subsides, he quietly calls off the list.

"Then the Vice-President—a well-salaried officer—announces a new stock. Sometimes he will call a dozen stocks with no bids, but the moment that he strikes some 'speculative stock,' like 'Pacific Mail' or 'New-York Central Rail-Road,' there is an explosion of excitement. Men leap to their feet, fingers are shaken and pointed back and forth, and the roar of voices is deafening.

"The *ursa major* of the Stock Board is a celebrated broker whom we need not name. His financial fame is world-wide. While the bids are made, the working of his countenance reminds us of Brougham in the House of Lords. He steps out from his desk and snaps his fingers toward another broker, calling out, 'I'll take your lot at thirty days.'

"The most noticeable things to us in the Brokers' Board were the intensity of excitement at certain times, when contested stocks were called, and the lightning-like rapidity with which decisions were made, and transactions carried out. Men's minds play there like piston-rods in steam-engines. The strokes cannot be counted. To an inexperienced eye there is only *whirl*; but the accomplished eye sees per-

fect system working results with vast rapidity. I do not envy the man who lives in such a Babel of conflicting sounds, and draws his 'daily bread' from such a hot oven of excitement. It requires strong and resolute religious principles to hold fast to one's moral moorings when such gales of selfish temptation are constantly striking the canvass. A man ought to be a firm Christian before he becomes a broker. The converse is true. A broker may be a firm and healthy Christian."

RATES OF DISCOUNT ON BANK NOTES IN THE PRINCIPAL CITIES.

	Phila.	Boston.	Baltimore.	St. Louis.	Cin'ti.	Chicago.
New-England,.....	$\frac{1}{2}$ dis.	Par.	$\frac{1}{2}$	$\frac{1}{2}$ dis.	Par.	$\frac{1}{2}$ prim.
New-York State,.....	$\frac{1}{2}$ "	$\frac{1}{2}$ dis.	$\frac{1}{2}$	$\frac{1}{2}$ "	"	$\frac{1}{2}$ "
New-York City,.....	$\frac{1}{2}$ "	$\frac{1}{2}$ "	Par.	$\frac{1}{2}$ "	"	$\frac{1}{2}$ "
New-Jersey,.....	$\frac{1}{2}$ "	$\frac{1}{2}$ "	$\frac{1}{2}$	$\frac{1}{2}$ "	"	$\frac{1}{2}$ "
Philadelphia,.....	Par.	$\frac{1}{2}$ "	Par.	$\frac{1}{2}$ "	"	$\frac{1}{2}$ "
Baltimore,.....	$\frac{1}{2}$ "	$\frac{1}{2}$ "	"	$\frac{1}{2}$ "	"	$\frac{1}{2}$ "
Pennsylvania,.....	$\frac{1}{2}$ "	1 "	$\frac{1}{2}$	1 "	$\frac{1}{2}$	Par.
Maryland,.....	$\frac{1}{2}$ & $\frac{1}{2}$	1 "	$\frac{1}{2}$ & $\frac{1}{2}$	1 "	$\frac{1}{2}$	"
District of Columbia,.....	$\frac{1}{2}$ dis.	1 "	$\frac{1}{2}$	1 "	$\frac{1}{2}$	"
Virginia,.....	$\frac{1}{2}$ "	1 "	$\frac{1}{2}$	1 "	$\frac{1}{2}$	"
North Carolina,.....	1 "	2 "	$\frac{1}{2}$	1 $\frac{1}{2}$ "	1 "	2 dis.
South Carolina,.....	$\frac{1}{2}$ "	1 $\frac{1}{2}$ "	$\frac{1}{2}$	1 $\frac{1}{2}$ "	$\frac{1}{2}$	1 "
Louisiana,.....	$\frac{1}{2}$ "	$\frac{1}{2}$ "	$\frac{1}{2}$	$\frac{1}{2}$ "	Par.	$\frac{1}{2}$ prim.
Ohio,.....	$\frac{1}{2}$ "	1 "	$\frac{1}{2}$	$\frac{1}{2}$ "	"	$\frac{1}{2}$ "
Indiana,.....	$\frac{1}{2}$ "	1 "	$\frac{1}{2}$	$\frac{1}{2}$ "	"	$\frac{1}{2}$ "
Kentucky,.....	$\frac{1}{2}$ "	1 "	$\frac{1}{2}$	$\frac{1}{2}$ "	"	$\frac{1}{2}$ "
Illinois and Wisconsin,.....	2 "	2 $\frac{1}{2}$ "	2	1 "	2	Par.
Tennessee,.....	1 $\frac{1}{2}$ "	2 "	1 $\frac{1}{2}$	1 "	$\frac{1}{2}$	1 dis.
Missouri,.....	1 "	1 $\frac{1}{2}$ "	1	$\frac{1}{2}$ "	Par.	$\frac{1}{2}$ prim.
Michigan,.....	1 $\frac{1}{2}$ "	2 "	1 $\frac{1}{2}$	2 "	1	$\frac{1}{2}$ "
Canada,.....	$\frac{1}{2}$ "	1 "	1	1 $\frac{1}{2}$ "	$\frac{1}{2}$	$\frac{1}{2}$ "

THE LONDON MONEY MARKET.

The changes in the London Money and Stock Market, since the first of April, have been so extraordinary that we have taken pains to compile, mostly in the language of the city (or money) article of the *London Times*, a summary of the daily transactions, which will be useful for future reference, and will be continued hereafter. The recent revulsion in the London market is considered the most extraordinary of the present century; so sudden in its rise and so violent in its results. The fall of five per cent. in Consols is equivalent to a loss of two hundred millions of dollars in the market value of the English debt alone, and when we consider the greater fall in miscellaneous securities, especially foreign loans, of which the bulk is held in England, the loss may be set down at fully one thousand millions of dollars in one week.

The month of March had closed with a range of Consols of only 1 $\frac{1}{2}$ per cent., viz: highest price, 96 $\frac{1}{4}$; lowest, 95 $\frac{1}{4}$, and closing on the 31st at 95 $\frac{1}{4}$. An impression had prevailed in the London market that the proposed Congress of Nations would take place at an early date, with a view to the adjustment of the differences between France and Sardinia on one side and Austria on the other. Count Cavour had left Paris at the close of March, "satisfied with his reception by the Emperor." Uncertainty prevailed in commercial circles throughout France. "Merchants and manufacturers, at one moment cheered by the hope that peace will not be disturbed, and again intimidated by the fear of war, will not enter into new operations."

APRIL, 1859.

1.—Announcement that the Alliance Bank, London, would be wound up, and that "Mr. Stokes, the Manager, had departed for America."

- 2.—Consols 95½ a 95¾—£1,000,000 East India debentures fell due.
- 4.—Consols 95½ a 95¾. Market disturbed by reports from Paris as to extraordinary preparations throughout France for some aggressive movement.
- 5.—Consols 95¾ a 95¾. Money in good supply at the Stock Exchange at 1½ to 2 per cent. French rentes this day 67.95. The American ship Florence, of 1,000 tons, arrived in the London Docks from Japan, with a cargo consisting chiefly of vegetable wax. This is the first cargo from that country.
- 7.—Consols 95½ a 95¾. Bank Stock 223 a 225. No change in the rates for money.
- 8.—Payment of dividends commenced to-day. Specie reserve of the Bank for the week declined £680,000.
- 9.—Consols 94½ a 94¾. A Vienna telegram to the *Times* of the 9th, announcing the despatch of 50,000 additional troops to Italy, created a panic in the Stock market. Decline in Paris about ¼ per cent. in the funds.
- 11.—New loan for India announced of £7,000,000, in coupon debentures at four per cent., at seven years. Consols advanced to 94½ a 95.
- 12.—Consols 95 a 95½. Failure of AQUARONE FILS, PORRO & Co., at Marseilles, announced.
- 13.—Consols 95½ a 95¾. The accounts from France indicating a continuance of buoyancy. "The general want of confidence in political affairs induces persons to provide for all contingencies." The monthly report of the Bank of France shows an increase of 13 millions francs in specie compared with March.
- 14.—Consols closed at 94½ a 95. The *Times* announced in the money article that "the French government are not ready to enter upon a campaign, and that it will require till the middle of August to complete the formidable plans that have been conceived." A Russian loan of £12,000,000, at three per cent. interest, announced in London; price reported 68½ a 69; "with the strong conviction on every mind that before the lapse of another year a war may be witnessed that will more or less involve all the leading Powers, it is difficult to admit the idea of such a loan being floated." The Russian loan was represented to have been taken by a combination of French, German and London houses, Messrs. THOMPSON, BONAR & Co. being the parties by whom it would be introduced, neither Messrs. Baring & Co. nor Messrs. ROTHSCHILD being connected with it.
- 15.—English funds opened heavily; closed at 94½ a 95. "The impression seems to gain ground that the Emperor NAPOLEON desires further delay."
- 16.—Saturday—Consols advanced to 95 a 95½. Shipment of £500,000 in silver, for China and India, mainly on account of the government. The bankruptcy of Messrs. WHITE & Co., bankers and East India Army Agents, was announced.
- 19.—"Statements on the war question in parliament caused the English funds to open heavily at a decline of ¼ per cent." Consols closed at 94½ a 95.
- 20.—Consols closed at 95½ a 95¾. "The chief cause of the tendency to firmness consisted in a number of purchases on behalf of influential and usually well-informed operators."
- 21.—"The English funds opened with animation, but closed in heaviness and confusion," quotations 94½ a 95 at the close. The announcement was made that "Austria has called upon Piedmont to disarm and to dismiss her bands of volunteers, or to accept war in three days. * * * The news has greatly stimulated the feeling of indignation at the Cabinet having selected such a period to break up parliament." The Paris correspondent announced that "the panic at the Bourse to-day has surpassed any thing we have seen for a long time, and rumors circulated of the most alarming character." The Indian loan of £5,077,000, at five per cent., was subscribed to-day, at 95 per cent.
- 22.—Good Friday, a holiday.—The Bank Stock Exchange and other departments of public business have been closed. The *Times* announced a despatch from Boulogne that "The French army is in full march to the frontiers of Piedmont." French Rentes 64.90, a decline of 1½ per cent. since yesterday.
- 23.—Saturday—"It had been arranged that this should be a holiday at the Stock Exchange, but owing to the momentous news received on Thursday evening, there was a large attendance of members, and the managers agreed to open the building as a matter of convenience, although all transactions would be unofficial." Consols opened at 93½—sales at 93½ a 94, and closed at 93½ a 93¾. The dealers still seemed disposed to hope that some possibility of an adjustment might even yet

exist—a feeling chiefly founded on the fact of England having protested against the resolution of Austria.

25.—“The war panic in the Stock Exchange has made additional progress, and a further fall of $\frac{1}{2}$ per cent. has been witnessed.” Consols opened at $93\frac{1}{2}$ a $93\frac{3}{4}$; closed at 93 a $93\frac{1}{2}$, and later sellers at $92\frac{1}{2}$. The fall since the 18th has been about two per cent. At present the effect of the political news is aggravated by the drain of gold from the bank. The new Indian loan quoted at one to two per cent. discount. A telegram from Vienna announced that “the Russians here state that an alliance, offensive and defensive, has been concluded between Russia and France.” When the declaration of war was made against Russia, in March, 1854, Consols went down to $85\frac{1}{2}$.

26.—M. BAROCHÉ presented to the French Chambers a *projet* of law for a loan of 500 million francs, and for raising the contingent of 1858 to 140,000 men. French Rentes closed at 62.90. The speech of Lord DERBY, announcing that the English Cabinet proposed that the Italian dispute should be referred to a Congress, produced no effect. Consols opened at $93\frac{1}{2}$ a $93\frac{3}{4}$, and closed 94 a $94\frac{1}{4}$. Adverse accounts from France led to subsequent sales at $93\frac{1}{2}$. At Paris, among commercial men generally, the consternation was great, and advices from the provinces described, in forcible terms, the feeling caused by a prospect of war. At Vienna, government loans could not be negotiated at any price.

27.—“The news from Berlin of the French and Russian treaty, although the existence of such a document had been whispered for some days, took the Stock Exchange by surprise, and caused the markets to open in a state of panic, which was aggravated by rumor that although Austria had accepted the mediation offered by the Derby Cabinet, France had declined it.” Consols opened at $91\frac{1}{2}$ a 92 ; sales as low as $90\frac{1}{2}$, and closed $90\frac{1}{2}$ a 91 . “In foreign and speculative securities it was difficult throughout the day to effect transactions of any kind. The general depreciation of funded and share property since yesterday was computed at fifty millions sterling. Seven failures were announced on the Stock Exchange, and the havoc on the Paris Bourse is expected to be more severe. * * * Indignation was strongly expressed to-day by a large class of investors who have been misled by the confident assurances of the government.” French Rentes fell in one hour from 62.95 to 61 francs. “The attempt to bring out the Russian loan of £12,000,000 may be considered as finally extinguished.” For all kinds of marine business increased premiums have been demanded. Most kinds of Russian produce were firmer.

28.—The Bank of England advanced the rate of discount from $2\frac{1}{2}$ per cent. (as established December 9) to $3\frac{1}{2}$ per cent. “A further fall of two per cent. marked the opening of Consols, and before the end of the day twenty additional failures were announced. The report that Denmark had joined the alliance between Russia and France was among the causes of increased depression.” The first quotation of Consols was $88\frac{1}{2}$ a $88\frac{3}{4}$; sales at 90, and receded to $88\frac{1}{2}$. A denial was published in the *Constitutionnel* of the rumored alliance between Russia and France. Messrs. OVEREND, GURNEY & Co. raised their allowance on deposits to $2\frac{1}{2}$ per cent. on demand, and 3 per cent. at seven days’ notice. The joint stock banks announced their rate on deposits to be $2\frac{1}{2}$ per cent. Austrian five per cents. sold at 45 to-day, against 84, the closing price at the end of the year 1858. French Rentes sold to day at 61.60, a decline of 12 per cent. since 1st January. Failure of WOLFF & Co., bankers, Berlin, announced.

30.—Consols closed at $89\frac{1}{2}$. New Indian loan sold 5 to 6 per cent. discount. Austria announced a loan of £20,000,000. Specie payments in Austria indefinitely suspended.

MAY, 1859.

2.—Consols opened at $89\frac{1}{2}$ a 90 , and closed at $89\frac{1}{2}$ a $90\frac{1}{2}$. “Almost invariably when Consols fall below 90, the public come forward to employ their spare means.”

3.—“The improvement in the English funds to-day, consequent upon the assurance of Mr. DISRAELI as to his entire confidence in France and Russia, and the absence of any secret alliance, was less than $\frac{1}{2}$ per cent.” Consols opened at $90\frac{1}{2}$; sales at 91. Closed $90\frac{1}{2}$ a $90\frac{3}{4}$. The demand for loans at the bank was unusually heavy. The Bank of France raised its rate of discount from 3 per cent. (established Sept. 23) to 4 per cent., and the Bank of Frankfurt from 3 to $4\frac{1}{2}$ per cent.

4.—Consols opened at $90\frac{1}{2}$ a $90\frac{3}{4}$, and closed at the same. No important news

received to day. A further advance of the rate of interest at the bank this week generally anticipated. The failure of Messrs. LLOYD, BILBY & Co., in the Austrian trade, announced. Specie payments have been suspended in Piedmont by royal decree. The National Bank to lend the government £1,200,000. A private letter announced that all the Austrian vessels in Genoa had been sequestered.

5.—The Bank of England advanced its rate of interest to $4\frac{1}{2}$ per cent.; on six months' bills at $5\frac{1}{2}$. No further failures were announced. Consols opened at $89\frac{1}{2}$ a 90, and closed at $89\frac{1}{2}$ a $90\frac{1}{2}$. Messrs. OVEREND, GURNEY & Co. increased their allowance of interest from 3 to 4 per cent.

6.—The Consul market has been comparatively steady to-day; and although speculative securities of all kinds remain without recovery, there has been a better tone in every department of business. Consols opened at $89\frac{1}{2}$ a $90\frac{1}{2}$; sales at $90\frac{1}{2}$ a $90\frac{1}{2}$, and closed $90\frac{1}{2}$ a $90\frac{1}{2}$. The new India loan is quoted at 2 a 3 per cent discount. Failure of Messrs. ARNSTEIN & ESKELES, bankers, at Vienna, announced, with liabilities of £2,000,000. Sixteen additional failures at the London Stock Exchange announced.

7.—Very little business at the Stock Exchange to-day. Consols opened $90\frac{1}{2}$ a $90\frac{1}{2}$, sales at 91, and closed $90\frac{1}{2}$ a $90\frac{1}{2}$. The monthly settlement on the Paris Bourse is stated to have been accomplished with much less difficulty than had been anticipated.

9.—Consols opened $90\frac{1}{2}$ a 91, and closed at $91\frac{1}{2}$ a $91\frac{1}{2}$, an advance of 1 per cent.

10.—Letters from Germany to-day mention a number of mercantile failures in Vienna, Frankfort, Leipsic, Munich, &c. The Bank of Belgium increased its rate of discount from 3 to 4 per cent.

11.—Consols opened at $91\frac{1}{2}$ a $91\frac{1}{2}$, and closed $91\frac{1}{2}$ a $91\frac{1}{2}$. The continued suspense between the hostile forces in Italy excites each day new conjectures, and the fact of Prince WINDISGRATZ having been despatched from Vienna to make, according to rumor, concessions to Russia, which in the eyes of some diplomatists can mean nothing else than a consent "to allow her to do what she pleases in European Turkey," has also been a subject of comment. Seventeen additional failures at the Stock Exchange announced.

12.—The English funds opened this morning at a fractional improvement, but declined late in the day on some rumors, which could not be traced to any definite authority, of disturbances in Turkey. The first transactions in Consols were at $91\frac{1}{2}$ a 92, whence, from continued purchases by the public, there was an advance to $92\frac{1}{2}$. A tendency to re-action was then manifested, and just after the official close a sudden fall took place to $91\frac{1}{2}$ a $91\frac{1}{2}$. Although the adverse report from Turkey was not in any way authenticated, it produced an immediate effect.

13.—Proclamation of NAPOLEON III. issued at Genoa. The new French loan of 500 million francs concluded.

14.—Rather less buoyancy in the London Stock Market, and Consols $91\frac{1}{2}$. The demand for money was less pressing, but rates were as before.

Fluctuations in the London Stock and Share Markets during the month of April, 1859.

	Price on April 1st.		Highest Price.		Lowest Price.		Price. April 30.
Consols,.....	$95\frac{1}{2}$ a $\frac{1}{2}$	..	$97\frac{1}{2}$	..	$89\frac{1}{2}$	..	$69\frac{1}{2}$
Exchequer Bills,.....	83s. pm.	..	86s. pm.	..	85s. pm.	..	21s. pm.
Brighton Railway,.....	$112\frac{1}{2}$	..	118	..	$104\frac{1}{2}$	..	106
Caledonian Railway,.....	$82\frac{1}{2}$	..	$82\frac{1}{2}$	..	$69\frac{1}{2}$	..	78
Eastern Counties Railway,.....	60	..	60	..	49	..	$52\frac{1}{2}$
Great Northern Railway,.....	$102\frac{1}{2}$	..	$102\frac{1}{2}$	..	96	..	96
Great Western Railway,.....	59	..	$59\frac{1}{2}$	..	$45\frac{1}{2}$	..	53
London and Northwestern Railway,....	$94\frac{1}{2}$	..	$95\frac{1}{2}$	..	88	..	57
Midland Railway,.....	$101\frac{1}{2}$	..	$102\frac{1}{2}$	..	91	..	96
Lancashire and Yorkshire Railway,....	$94\frac{1}{2}$	..	$94\frac{1}{2}$	..	86	..	56
Sheffield Railway,.....	$88\frac{1}{2}$	..	$88\frac{1}{2}$	..	84	..	84
South Eastern Railway,.....	$70\frac{1}{2}$	..	$70\frac{1}{2}$	..	59	..	62
South Western Railway,.....	$92\frac{1}{2}$	..	88	..	85	..	86
North Eastern, Berwick Railway,.....	$92\frac{1}{2}$	..	$92\frac{1}{2}$	..	81	..	84
North Eastern, York Railway,.....	$76\frac{1}{2}$	..	$76\frac{1}{2}$	..	68	..	70
Northern of France,.....	87	..	87	..	89	..	82
East Indian,.....	$102\frac{1}{2}$	..	103	..	88	..	92

Notes on the Money Market.

NEW-YORK, MAY 28, 1859.

Exchange on London, at Sixty days' sight, 10 a 10½ premium.

THE money market for the month of May has been disturbed by a series of unfavorable circumstances, foreign and domestic. New-York, as the common creditor of the Great West, has been drawn upon for capital which could not well be spared: and, as the debtor of Europe, has been called upon to cover a large amount of her indebtedness by remittances of specie to Liverpool, &c. The exports of specie this week have been about four millions: last week \$3,400,000, and for the whole month about eleven millions.

New-York had not this amount to spare from her own vaults, and has, therefore, been compelled to draw upon the West and the South to replace this vacuum. A leading feature of the month has been the high rate of exchange on Western cities—at Chicago 2 a 2½ per cent. at times. Exchange on New-York, throughout the West, is still at a high premium—at Chicago and Milwaukee, 1 per cent. At these rates gold must find its way to New-York. We annex the selling rates on New-York:

Cities.	per cent.	Cities.	per cent.
At Cincinnati,.....	½	At Detroit,.....	½
" St. Louis,.....	½	" Milwaukee,.....	½
" Chicago,.....	2	" Pittsburgh,.....	½
" New-Orleans,.....	½	" Memphis,.....	½

Foreign Exchange has advanced ¼ a ½ per cent. during the month. Bankers' bills on London, which at the close of April were quoted at 109½ a 110, have reached 110½ a 110½, with firmness on the part of drawers. This week there has been a disposition shown on the part of one or two houses to draw at 110; but the closing rates may be stated at 110½ a 110½. The motive in drawing at 110 (or 110) under the market, was supposed to be the urgent orders for gold shipments for France. Both the government of France and the Bank, it is supposed, are determined to fortify themselves with all the gold that can be realized from foreign quarters. We annex the current rates at various periods in 1859 for bankers' bills:

	Feb. 23.	March 23.	April 23.	May 23.
London, 60 days, Bankers' Bills,.....	109½ a 109½	109½ a 109½	109½ a 110	110 a 110½
Do. do. Mercantile Bills,.....	108½ a 109½	108½ a 109½	109½ a 109½	109 a 110
Do. do. with Bills of Lading,.....	107½ a 108½	107½ a 108½	108½ a 109	108½ a 109
Paris, 60 days' sight,.....	518½ a 512½	512½ a 511½	512½ a 511½	510 a 505½
Antwerp, ".....	518 a 512½	512½ a 511½	512½ a 511½	510 a 505½
Hamburg, ".....	86½ a ..	86½ a 86½	87 a 87½	87½ a 87½
Bremen, ".....	79 a ..	79 a 79½	79½ a 79½	79½ a 80
Amsterdam, ".....	41½ a ..	41½ a 41½	41½ a 41½	42½ a 42½

It will be observed that bills on the Continent are a fraction higher, but the demand is not large. There is a decided preference shown for bills on England. The closing rates on the Continent are as follows: Amsterdam, 42½ a 42½ cents per guilder; Bremen, 79½ a 80 cents per rix dollar; Hamburg, 87½ a 87½ cents per marc banco.

The rates for money have advanced during the month in common with the rates of foreign bills. Money in March and April was abundant at 4 a 5 per cent. on call. Since the close of April there has been a gradual change, and fully one per cent. advance is sustained. Occasional loans are made at 5 a 6 per cent. on call, but the bulk of transactions is at 6 a 7 among the banks. First class paper is taken from the brokers at 6 a 6½ per cent; but these form no criterion of the market. In fact very little is taken by the banks or outside under 7 per cent. By way of comparison we annex the rates at the close of April and May:

	April.	May.
First class paper, 60 days to 4 months,.....	5½ a 6½ per cent.	6 a 6½
“ single names, 4 to 6 months,.....	5½ a 7 “	6 a 7
“ indorsed, 6 months,.....	5½ a 6½ “	6½ a 7
Loans on call, with State bonds as collaterals,.....	4 a 5 “	5 a 6
“ with rail-road shares as collateral,.....	5 a 7 “	7 a 8

The chief item of the Stock market was the suspension, on the 12th inst., of Mr. JACOB LITTLE. On the opening of the morning session of the Stock Exchange a letter was read from JACOB LITTLE announcing his inability to meet his engagements. The Board was immediately excited, and as the call of Stocks proceeded, a heavy decline was visible. At the Second Board, however, there was some rally, as parties who had to receive from Mr. LITTLE came into the market as buyers of cash Stock. Mr. LITTLE had made large contracts in Illinois Central Rail-Road Stocks and Bonds, Panama Rail-Road Stock, Missouri Sixes, Tennessee Sixes and Virginia Sixes, mainly seller's option. Not only had he to receive large amounts of these securities, but he held also a large amount which he had hypothecated. As a considerable decline had taken place in the market values, the margins of the loans on them had become lost, and being called on to pay up his loans, was unable to respond. The Stocks he had to receive he could not pledge for the amount he was obliged to pay, and thus his new failure has been brought about. It is the old story—speculation on borrowed money, ending in failure by the decline in Stocks, which the speculator is unable to carry. Another broker is said also to have been unable to meet his contracts, but as he was at his place at the afternoon session we forbear publishing his name. Mr. LITTLE, we understand, proposes to settle for his contracts on the basis of the average market price on the day the contracts successively fall due, but he cannot make any proposition until he knows how he stands, which will require some days to find out.

The failure of Mr. LITTLE caused immediately a depression of the stock market. This depression was further increased by the news from Europe and the prospect of curtailment of bank loans. The government loans have maintained their values, excepting the five per cent. of 1874, which are quoted at 108½. State loans have receded ¼ a 2 per cent. generally. Virginia Sixes, which had approached par in April, have since sold at 95 a 98, and close at 97; North Carolina Sixes were quoted at ½ a 1 per cent. premium. Sales were made this week at 97½; Missouri six per cents have declined to 88 a 88½, with heavy sales for account of Western banking institutions that have been compelled to redeem their issues at a low point. We annex the rates at the close of the first eight weeks.

	April 8th.	15th.	22d.	29th.	May 6th.	13th.	20th.	27th.
U. S. 6 per cents, 1867-'8,...	109	109	109½	109	109	109½	109½	109½
U. S. 5 per cents, 1874,...	104½	104½	104½	104½	104½	104½	104	108½
Ohio 6 per cents, 1886,...	108	108	108	108	107	107	107	106½
Kentucky 6 per cents,...	108½	108½	104	104	108½	104	108½	108½
Indiana 5 per cents,.....	90½	88½	88½	89½	89	89½	88½	88
Pennsylvania 5 per cents,...	92½	93	94½	94½	94	92½	92	90½
Virginia 6 per cents,.....	98½	99½	99½	99	97½	94½	95½	96½
Georgia 6 per cents,.....	100	101½	101	101	101	101	102½	102
California 7 per cents, 1877,...	82	85	84½	85	85½	83½	82½	82½
North Carolina 6 per cents,...	101½	100½	100½	100	99½	98	97	97
Missouri 6 per cents,.....	88½	88½	87½	87½	86½	84	83½	88½
Louisiana 6 per cents,.....	96	96	95	96	96	95	93	98
Tennessee 6 per cents,.....	98½	98½	98½	98½	98½	91½	90½	90

In rail-road shares the market has sustained a revulsion during the month. Prices throughout the year have been low, in view of the diminished revenues of the roads, but the more unfavorable condition of money affairs has forced a large amount of rail-road securities upon the market, resulting in a sudden fall of 8 to 5 per cent.

The Rail-Road Convention results in no agreement between the four leading roads. The receipts this year are, perhaps, as large as could have been expected, but are not enough to secure regular dividends on the Western roads. We quote a decline in Harlem of ½, Reading, 2, Michigan Central, ½, Panama, 1½, Illinois Central 2½. New-York Central, Galena and Chicago, and Chicago and Rock Island are quoted a fraction higher. Milwaukee is lower than ever before.

We annex a comparison of market values of rail-road shares for the past eight weeks:

	April 8th.	15th.	22d.	29th.	May 6th.	13th.	20th.	27th.
N. Y. Central R. R. shares,	75½	77½	74	71½	71½	71½	72½	73½
N. Y. and Erie R. R. shares,	9½	9½	9½	7½	7½	7½	7½	6½
Harlem R. R. shares,.....	12½	13½	12½	12	11½	11	10½	10½
Reading R. R. shares,.....	50	50	50½	50½	50½	46½	41½	41½
Hudson River R. R. shares,.	88½	88½	82½	81½	82	81½	81½	81½
Mich. Central R. R. shares,.	50½	54	52½	50	47	42	41½	45½
Mich. Southern R. R. shares,	18½	14	12½	9½	9½	9	9½	9½
Panama R. R. shares,.....	120	121	122½	122½	122½	119	117½	119
Balt. & Ohio R. R. shares,.	59½	59	56½	55½	57	52½	52½	54
Illinois Central R. R. shares,	63½	63½	66½	65	68½	67½	55	57½
Cleveland and Toledo R. R.,	24½	27	25½	24½	25½	26½	26½	25
Chicago & Rock Island R. R.	56½	59½	57½	58½	59½	61½	63	62
Milwaukee and Miss. R. R.,	7	7	6	5½	5½	5½	4½	5
Galena & Chicago R. R. sh's,	67	63½	66½	64½	68½	62½	63½	64½

Cleveland, Columbus and Cincinnati shares are quoted at 90½ a 96½; Long Island, 21½ a 22; New-Jersey, 180 a 183; Harlem Preferred, 87½ a 87½; Pennsylvania Central, 89 a 88.

Rail-road bonds have suffered materially, as well as other classes of stocks and bonds. Coal stocks are dull, at a decline of ½ a 1 per cent. The Pacific Mail Steamship Co. have ordered a dividend of 10 per cent., reducing the shares to 72 a 74, at the close of this week. The brokers are buying Erie bonds at a further discount. We annex the closing rates for the leading bonds:

	April 8th.	15th.	22d.	29th.	May 6th.	13th.	20th.	27th.
Erie Rail-Road 7's, 1859,...	82½	82½	82	80	81	80	80	80
Erie Sinking Fund bonds,.	31	31	25	20	22½	22½	20	20
Erie Convertibles, 1871,....	80	80	25	20	22	21	20	20
Hudson R. R. 1st mort,...	103	103	103½	103½	103	103½	103	103
Panama Rail-road Bonds,...	120	121	120	120	121	120	120	118
Illinois Central bonds, 7's,...	88½	88½	89½	88½	87½	81	79	80½
New-York Cent. bonds, 6's,	93	94½	94	94	92	91½	90½	90
Canlon Co. shares,.....	19½	19½	19	19½	19	18½	18½	19
Pennsylvania Coal Co.,....	80½	81½	81	81	81	80½	81½	81½
Cumberland Coal Co.,.....	..	21½	21	21	18	17	15	17½
Del. & Hudson Canal Co.,.	97½	96½	96½	96	96½	95½	93½	94
La Crosse Land Grant b'ds,	18	16	17	17	19	17	17	17
Pacific Mail Steamship Co.,	84½	86½	86½	80	79½	84½	78	74½

The following are the quotations for leading or first-class mortgage bonds:

Illinois Central 1st Mortgage,.....	80½ a 80½	New-York & Harlem 3d Mort. 7 p. c.,	77 a 80
Chicago and R. I. 1st Mort. 7 p. c.,...	92½ a 98½	Mich. Central 1st Mortgage, 8 per ct.,	91½ a 92½
Galena and Chicago 1st Mort. 7 p. c.,	98½ a 94	La Crosse and Mil. 1st Mort. 8 p. c.,	70 a 75
Galena and Chicago 2d Mort. 7 p. c.,	83 a 89	Reading 1st Mort., 1860, 6 per cent.,	98 a 85
New-York and Erie 1st Mort., 1867,	91½ a 92	New-York Central 7's, 1860-1870,...	102 a 102½
New-York and Harlem 1st Mort.,....	81 a 89	Del. and Lackawanna 1st Mort. 7 p. c.,	86 a 87½
New-York & Harlem 2d Mort. 1864,.	68 a 89	Little Miami 1st Mortgage, 6 p. c., X,	83½ a 85

DEATHS.

At WORCESTER, MASS., Thursday, May 12th, GEORGE C. BIGELOW, Esq., Cashier of the Central Bank of that city, in the 30th year of his age.

At HAGERSTOWN, MD., in May, 1859, ELI BEATTY, Esq., in the 54th year of his age, for fifty-three years Cashier of the Hagerstown Bank, until April, 1859.

GENERAL INDEX

TO THE

THIRTEENTH VOLUME (OR EIGHTH VOLUME—NEW SERIES)

OF THE

Bankers' Magazine and Statistical Register,

FROM

JULY, 1858, TO JUNE, 1859, BOTH INCLUSIVE.

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